

**Cumberland  
Council**

**Summons and agenda  
for the meeting of  
Cumberland Council**

**on**

Wednesday, 6 March 2024 at 1.00 pm

at

Cathedral Room, Civic Centre, Carlisle



**Civic Centre  
Rickergate  
Carlisle  
Cumbria CA3 8QG  
Telephone 0300 373 3730  
cumberland.gov.uk**

Summons

To the Chair and Members of Cumberland Council

You are summoned to attend the meeting of Cumberland Council which will be held on **Wednesday, 6 March 2024 at 1.00 pm** in the **Cathedral Room, Civic Centre, Carlisle.**

Yours Sincerely

Clare Liddle  
Monitoring Officer

Enquiries and requests for supporting papers to: Gayle Roach, Democratic Services  
Email: [gayle.roach@cumberland.gov.uk](mailto:gayle.roach@cumberland.gov.uk)

A hard copy of the agenda and document pack will be available from the above contact.

**1. Roll Call and Apologies for absence**

To receive any apologies for absence.

**2. Minutes (Pages 11 - 28)**

To approve as a correct record the minutes of the Council meeting held on 16 January 2024.

**3. Declaration of Interests**

To receive declarations by Councillors of any disclosable pecuniary interest, personal interests, other registrable interests or any other interests in respect of items on the agenda.

**4. Exclusion of Press and Public**

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

**5. Announcements**

- 1) To receive any announcements from the Chair;
- 2) To receive any announcements from the Leader;
- 3) To receive any announcements from Members of the Executive;
- 4) To receive any announcements from the Chief Executive.

**6. Public Participation**

- 1) To receive any questions from members of the public in accordance with Council Procedure Rule No. 10;
- 2) To receive any deputations or petitions from members of the public in accordance with Council Procedure Rule No. 9.

**7. Minutes of the Executive (Pages 29 - 58)**

To receive the Minutes of the meetings of the Executive held on 15 December 2023, 11 January and 13 February 2024 and ask questions of the Leader and Portfolio Holder on those minutes.

**8. Pay Policy Statement 2024/25 (Pages 59 - 72)**

To receive a report from the Assistant Director of HR and OD to consider the annual review of the Pay Policy Statement for Chief Officers.

**9. Referral from Audit Committee (22/02/24) - Treasury Management Strategy/Annual Investment Strategy & Minimum Revenue Provision Policy Statement 2024-25 (Pages 73 - 154)**

To receive a recommendation made by Audit Committee at their meeting on 22 February 2024.

**10. Revenue and Capital Budget 2024/25 and Medium Term Financial Plan (Pages 155 - 274)**

To receive a report from the Chief Finance Officer setting out the draft budget 2024-25 and medium-term financial plan for Cumberland Council.

The recommendations were moved for approval by the Executive at their meeting on 13 February 2024.

**11. Council Tax Resolution 2024-25 (Pages 275 - 298)**

To receive a report from the Chief Finance Officer to enable the Council to calculate and approve the Council Tax requirement for 2024-25.

**12. Temporary Appointment of Councillors to Parish Councils (Pages 299 - 304)**

To receive a report from the Monitoring Officer for Council to consider and approve a procedure for temporary appointments to inquorate Town/Parish Councils in Cumberland.

**13. Operation of the Provisions Relating to Call in and Urgency (Pages 305 - 310)**

To receive a report from the Monitoring Officer on the operation of call-in and urgency provisions.

**14. Questions (with Notice)**

To consider the following questions submitted by members in accordance with Council Procedure Rule No. 11:

- 1. Councillor Dobson submitted this question to the Portfolio Holder for Digital Connectivity and Customer Focus -**

'Progress on installing hyperfast broadband in rural areas is welcome although there is continuing concern that several more remote areas are not yet planned into the programme.

Unsurprisingly the work of installation is causing disruption and inconvenience with road and pavement closures.

Can Councillor Southward confirm that where fibre optic cable has been laid that Cumberland Council will ensure that roads, pavements and green spaces will be reinstated to the previous standard of repair?

**2. Councillor Pickstone submitted this question to the Portfolio Holder for Sustainable, Resilient and Connected Places -**

'So far in 2023-24, what is the percentage of household waste sent for recycling, reuse or composting, and how does this compare to other authorities?'

**3. Councillor Wills submitted this question to the Portfolio Holder for Sustainable, Resilient and Connected Places –**

'What is the average length of time taken from a pot hole being reported, to a pot hole being repaired?'

**15. Motions**

To consider any notice of motions in accordance with Council Procedure Rule No. 12.

**16. Portfolio Holder Reports (Pages 311 - 330)**

To receive reports from members of the Executive and receive questions and answers on any of those reports.

**PART B - ITEMS TO BE CONSIDERED IN PRIVATE**

Not for publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information.

**17. Referral from Audit Committee (22/02/24) - Appointment of Independent Audit Committee Member (Pages 331 - 336)**

To receive a recommendation made by Audit Committee at their meeting on 22 February 2024.

This page is intentionally left blank

# Agenda Annex

## PROCEDURE FOR DEBATE AT THE BUDGET COUNCIL MEETING

This note is to advise Members of the procedure which will be adopted for setting the Council's budget at the Council Meeting on 6<sup>th</sup> March 2024.

The Executive will present its budget proposals to Council to consider as follows:

- a) The Chair will invite a motion that, in accordance with the provisions of Council Procedure Rule 22.1, that Procedure Rule 14.5 be suspended insofar as it relates to the length of speeches by the proposers of any motions or amendments which are seconded, for the duration of the budget debate, to enable such speeches to exceed 7 minutes.
- b) The Leader will move the receipt of the Minutes of the Executive held on 13 February 2024, which relate to the setting of the Council budget for 2024/25, and ask Council to accept that those Minutes and the Reports etc., as outlined on the Council Summons under the item Budget, be dealt with as one item of business as part of setting the General Fund Revenue Budget for 2024/25 and the Council's Capital Budget for 2024/25.
- c) The Leader or Portfolio Holder for Finance and Assets will then propose a motion or motions moving the recommendations of the Executive in respect of the General Fund Revenue Budget and the Council's Capital Budget for 2024/25, i.e. the Executive's budget proposals.
- d) The Chair will then invite the Leader or Portfolio Holder for Finance and Assets to speak in support of the motion, followed by the seconder of the motion, who may in accordance with Procedure Rule 14.4 reserve their speech until a later period of the debate.
- e) In accordance with Procedure Rule 14.13, the Chair may invite, in an order of their choosing, Executive Members to speak on the budget in relation their area of responsibility.
- f) If any Group\* has submitted amendments to the Executive's budget, then they should be moved and circulated as follows:
  - i. The Chair will invite amendments to the Leader's motion and will instruct that any amendments are circulated to all Members of the Council (without speaking thereto). Invitations to propose amendments will be offered in the following order:
    - The Leader of the Opposition Group (to give notice of the number of amendments the said group is proposing and for each of which there is a seconder).
    - The Leader of the Liberal Democrat Group (to give notice of the number of amendments the said group is proposing and for each of which there is a seconder).
    - The Leader of the Independent Group (to give notice of the number of amendments the said group is proposing and for each of which there is a seconder).
    - The Leader of the Green Group (to give notice of the number of amendments the said group is proposing and for each of which there is a seconder).
    - Any other Councillor (amendments not included in the 'Group amendments' and for which there is a seconder).

Note: The Liberal Democrat Group has submitted a proposed amendment which is appended hereto.

- g) The Chair will invite a motion under Procedure Rule 14.22.6 to allow the meeting to adjourn allowing time for consideration of any motions and amendments before the Council.
- h) The Chair will invite the proposer and seconder of each amendment relating to the Budget to speak. The seconder of any amendment may, in accordance with Procedure Rule 14.4, reserve their speech until a later period of that debate, and debate will continue on each amendment in turn until voting takes place.
- i) The Leader, as mover of the original motion, has a right to reply at the close of the debate on each amendment, subject to not having previously spoken on the amendment. The mover of the amendment has no such right of reply.
- j) At the conclusion of the debate, the Chair will put the amendments to the vote in the order they were submitted at the meeting. The Local Authorities (Standing Orders) (England) Regulations 2001 require that any vote taken at a Council's budget decision meeting is a recorded vote.

**Before any amendment is voted on, the Council will give the Section 151 Officer an opportunity to address the meeting to explain, if necessary, the effect of the proposed amendment before the vote is taken and may agree to an adjournment to enable Members to consider the Officer's advice prior to the vote on any amendment.**

- k) Once the voting on the amendments has taken place, the Council will then debate the substantive Budget motion (either in its original form if no amendments were agreed or in its amended form if amendments are passed). The mover of the original motion has the right of reply at the close of the debate.
- l) The Chair will invite Council to vote on the Budget. The Local Authorities (Standing Orders) (England) Regulations 2001 require that any vote taken at a Council's budget decision meeting is a recorded vote.
- m) A summary of this procedure is shown in the table overleaf.



STAGE	SPEAKERS
<b>Suspension of Time Limit on Speeches</b>	
<b>(A)</b> Chair to invite a motion to suspend the time limit on Members speeches	<ul style="list-style-type: none"> <li>▪ Proposer</li> <li>▪ Secunder</li> <li>▪ Agreed?</li> </ul>

### **Budget Proposals**

<b>(B)</b> Proposal of the Executive Budget	<ul style="list-style-type: none"> <li>▪ Proposer</li> <li>▪ Secunder required (may reserve right to speak)</li> <li>▪ Executive Member speeches (by invitation of the Chair)</li> </ul>
---	--

### **Budget Amendment**

<b>(C)</b> Proposal of Budget amendment	<ul style="list-style-type: none"> <li>▪ Proposer</li> <li>▪ Secunder required (may reserve right to speak)</li> <li>▪ Discussion of amendment</li> <li>▪ Secunder if reserved right</li> <li>▪ Proposer of amendment sums up</li> <li>▪ Proposer of Budget responds</li> </ul>
<b>(D)</b> Amendment vote	Amendments will be voted on individually in the order they were put to Council. This will be a recorded vote. If the amendment is agreed it becomes the substantive motion. If it falls the meeting will return to the Executive motion.

### **Budget Debate**

<b>(E)</b> Debate on budget (amended or unamended)	Normal rules of debate as set out in the Constitution
<b>(F)</b> Budget vote	Recorded vote

This page is intentionally left blank

# Public Document Pack Agenda Item 2



## **Council**

**Date:** Tuesday, 16 January 2024

**Time:** 1.00 pm

**Location:** Cathedral Room, Civic Centre, Carlisle

**Present:** Cllr C McCarron-Holmes (Chair), Cllr A Harid (Vice-Chair), Cllr T Allison, Cllr R Betton, Cllr B Cannon, Cllr R Dobson, Cllr M Eldon, Cllr J Forster, Cllr J Ghayouba, Cllr A Glendinning, Cllr J Grisdale, Cllr M Harris, Cllr M Johnson, Cllr L Jones-Bulman, Cllr Dr B Kelly, Cllr E Lynch, Cllr J Mallinson, Cllr A Markley, Cllr G Mitchell, Cllr M Mitchelson, Cllr G Minshaw, Cllr D Moore, Cllr L Patrick, Cllr B Pegram, Cllr J Perry, Cllr T Pickstone, Cllr S Pollen, Cllr A Pratt, Cllr A Quilter, Cllr D Rollo, Cllr A Semple, Cllr C Southward, Cllr S Stoddart, Cllr K Thurlow, Cllr G Troughton, Cllr B Wernham, Cllr J Whalen, Cllr E Williamson and Cllr C Wills

**In Attendance** Chief Executive  
Chief Finance Officer (Section 151 Officer)  
Chief Legal Officer (Monitoring Officer)  
Director of Public Health and Communities  
Director of Children and Family Wellbeing  
Assistant Chief Executive - Director of Strategy, Policy and Performance  
Director of Adult Social Care and Housing  
Director of Place, Sustainable Growth and Transport

### **C.64/23 Roll Call and Apologies for absence**

Apologies for absence were received from Councillors Brown, Campbell-Savours, Davison, Fryer, Hawkins, Tucker and Weber.

### **C.65/23 Minutes**

The Deputy Leader, Statutory Lead for Children's Services, moved that the minutes of the meeting held on 21 November 2023 be received and approved as a correct record, seconded by the Portfolio Holder for Financial Planning and Assets.

Councillor Johnson requested that the questions submitted by members on the Portfolio Holder reports following the last meeting, with associated responses, be included in the minutes. The Monitoring Officer agreed that the questions and answers be included in the minutes of the previous meeting.

**RESOLVED**, that the minutes of the meeting held on 21 November 2023 be received and approved as a correct record subject to the above amendment.

## **C.66/23 Declaration of Interests**

### 9. Motions.

Councillor Roger Dobson, Personal, on Motion 9.1 Funding for Hospices due to him having facilitated a Board meeting of St Luke's Hospice Harrow & Brent and also participated in the Eden Valley Hospice weekly lottery.

## **C.67/23 Exclusion of Press and Public**

**RESOLVED**, that the items in Part A be dealt with in public and item 15 be dealt with in Part B.

## **C.68/23 Announcements**

### 1. Announcements from the Chair

The Chair made reference to a list tabled for members of engagements that she attended since the last Council meeting.

### 2. Announcements from the Leader

There were no announcements from the Leader.

### 3. Announcements from members of the Executive

The Portfolio Holder for Lifelong Learning and Development announced as a reminder to Council that Saturday 27 January 2024 was the International Day of Commemoration in memory of the victims of the Holocaust. The theme for day being Fragility of Freedom.

### 4. Announcements from the Chief Executive

There were no announcements from the Chief Executive.

## **C.69/23 Public Participation**

Pursuant to Procedure Rules 9 and 10, no questions, deputations or petitions were submitted by members of the public.

## **C.70/23 Questions (with Notice)**

- 1. From Councillor Betton to the Leader** – ‘The Sands Centre auditorium in September 2023 was closed and remains so today due to the presence of reinforced autoclaved aerated concrete (RAAC), a composite manufactured and used from 1950-90 in floors, roofs, and walls.

The Leader stated: “Improvement works for the older part of The Sands Centre building were part of a phase two of the redevelopment and work was already underway to progress these works. This work will now be accelerated, and further updates will be provided in due course”.

Can the Leader provide an update as to whether any other mitigating measures have been considered to make safe the auditorium for use until the contract for remedial works

progresses or have any nearby suitable venues been considered for visiting artists, panto or other events instead of just closure?’

In response on behalf of the Leader the Portfolio Holder for Financial Planning and Assets said -

‘As part of the decision to close the auditorium a range of mitigation measures were considered, these included fitting vertical steel scaffold poles and planks to create a ‘temporary structure’ below the existing roof, or a new lightweight structure to span the auditorium or steel reinforcing nets to catch any RAAC planks that may have slipped. However, these options proved unworkable due to loading, ceiling heights, the span of the auditorium and certainty of success. Accordingly, independent professional advice concluded that it was not possible for the centre to remain open prior to the removal of the RAAC panel roof. The priority now is to replace the roof and reopen the event centre and we are in the final stages of procurement and allocating the capital finance, Following the decision to temporarily close the events centre the Council has worked with GLL to consider opportunities to relocate events while the replacement of the roof was undertaken. As the largest venue in Cumbria this is not a straightforward matter, nonetheless GLL have retained aspects of their programme within the sports hall at the Sands and have also relocated some shows to venues elsewhere within Cumbria. We are also aware that other local venues have secured additional booking for events that have been displaced’.

In a supplementary question Councillor Betton asked why had any action by the Council taken so long?

In response the Portfolio Holder said ‘in the first stages as a Shadow Council we couldn’t do anything, Government hadn’t changed its regulations until late August so since September the Council has been dealing with the matter. As part of today’s agenda we are going to be dealing with the next step which shows how fast we have been working. The Council has taken its due diligence very carefully’.

- 2. From Councillor Betton to the Leader – ‘Carlisle City centre trade is dying with many long-standing empty properties which have never been reoccupied for business use again, for example Bulloughs, Debenhams and Poundstretcher and more recently WILKO, other shop units remain empty on Scotch Street, English Street, the Lanes, and Botchergate. Listening to local business people they say it is because of the high business rates and rents coupled with more people shopping on the Internet.**

What is Cumberland Council going to do to help small businesses open and survive not only in Carlisle but the rest of our town centres in Cumberland where shop uptake is reducing and more town centre businesses are closing?’

In response on behalf of the Leader the Portfolio Holder for Vibrant and Healthy Places said

‘Unfortunately, the Council has no control over the decisions affecting individual retailers in terms of store closures. However, we can, and have, developed a strategy for Carlisle city centre to respond to the structural changes that are occurring in the retail sector so that it can adapt.

The objective of the strategy is to diversify the city centre – to reduce the reliance on retail and attract new uses such as leisure, culture and residential – all of which will bring in different types of footfall, improve vibrancy and support the retail offer.

This strategy underpinned our bid for investment through the Borderlands Growth Deal for improvements for Carlisle railway station and a new university campus at the Citadels,

with £70 million of government funding has been secured to support their delivery. Improvements to the station will encourage more people to travel by train and bring more people into the city with associated spend.

The Citadels campus will bring around 3,000 students and staff into the city centre, which in turn will support local shops and traders. There are a number of vacant shops at the southern end of the city centre, adjacent to the Citadels. These properties form part of the land assembly required for the delivery of the scheme and have been acquired to enable the project to proceed.

This diversification strategy also informed our successful bid to the government's Future High Streets Fund programme, which secured £9.1 million of funding for the city centre. This funding will be used to deliver a suite of projects aimed at making the city centre a more attractive destination and encouraging more people to visit and shop. Increasing the footfall will increase spend, again supporting local shops and traders. These projects include the creation of a new events space of the Greenmarket, environmental improvements within the pedestrianised area and Devonshire Street and improvements to the Tullie House Museum and art gallery. The objective of the Greenmarket project is to drive the regeneration of Castle Street and the reuse of key empty buildings such as the former Bulloughs and Poundstretcher stores.

We also have £19.7 million secured through the government's Town Deal, which includes a number of city centre projects. These include a major highway / environmental improvement scheme on Botchergate and the southern end of English Street to support the Citadels campus scheme, the creation of a new business centre and the creation of a new digital and learning hub at the library. Again, these projects have been designed to improve the offer of the city centre and increase the number and type of visitors and footfall.

All of these investments and projects are focused on increasing the attractiveness of the city centre and encourage the development of local businesses. The Council has also supported small business Saturday and the regular Teenage Markets and other local produce markets throughout the year.

I also want to take this opportunity to clarify a common misconception, Councils do not set the national non-domestic rates, also known as business rates or tax. The Government is responsible for setting these rates, we are simply the billing authority and so get all the blame'.

In a supplementary question Councillor Betton asked whether the Leader and Chair of Business and Resources Overview and Scrutiny Committee would agree to set up a Task and Finish Group, to include representatives from local businesses, councillors and officers to discuss ways forward to help business to thrive in our towns and city.

In response the Portfolio Holder said 'the decline in town and city centres is a national, if not global, problem. In the response I gave I highlighted the millions of pounds this Council has managed to secure so far to help address this problem. I believe we are doing what we can, going the extra mile to improve circumstances for our high streets and businesses.

I will discuss your suggestion of a Task and Finish Group with the Leader and Chair and keep all members informed'.

**3. From Councillor Betton to Councillor Rollo, PH for Sustainable, Resilient and Connected Places – 'We have just had an important new GP surgery open on Locke**

Road, Durranshill Industrial estate in Carlisle where there is no direct bus route link for the elderly/disabled to use when attending their GP appointments.

It was disappointing that at the time this was not given proper consideration during the planning application phase, despite several concerns from my community regarding the distance across a bridge to the tucked away location which is down a steep hill and with taxi hire being so expensive.

Would the portfolio holder consider using a portion of the £2.5m it received from government for the Bus Service Improvement Plan Plus and the reallocation of HS2 funding and liaise with Stagecoach to find a suitable solution that provides a bus service to and from the new surgery?

This would be appreciated as I have asked regarding support not just for Botcherby ward but the rest of the population across Carlisle.'

The Portfolio Holder for Sustainable, Resilient and Connected Places responded as follows –

'I would like to thank the member for raising this issue and I share his views in relation to why this wasn't picked up at the time planning was submitted. I understand concerns were raised by local members at the time of the application, via the County Council's Local Area Committee, and discussions were had with representatives from the GP surgery and with Stagecoach, and although a bus service was never promised, the plans proceeded despite this.

I am pleased to say that going forward, under this Council, significantly more pressure will be put on developers in relation to their planning application and planning gain that would benefit their application, the local community and wider.

Moving on to the issue of bus services. Through our community panels, our officers are collating a list of requests for the Strategic Highway Board to consider. We anticipate that demand for bus improvements will far outweigh the funding provided for Bus Improvements in such a rural area as Cumberland. From there the board will consider each application so I would strongly recommend that the Councillor engages with his local Community panel on this matter of significant importance for his community'.

In response Councillor Betton said the Council Plan's aim was to improve the health and wellbeing of our residents and asked would the Council keep to the promises made and provide a bus link that would help people to access their GP surgeries.

The Portfolio Holder replied to say 'even though we are the Transport authority Stagecoach is a private company, and until we become a public transport authority that runs our own service our hands are very much tied. So although we will very much try to support our communities where we can, we cannot tell Stagecoach where they can and cannot run busses. We will work in partnership with them but we cannot force them to do anything'.

- 4. From Councillor Betton to Councillor Lynch, PH for Lifelong Learning and Development** – 'In Cumberland there are hundreds of new homes being built but there is something missing and that is new schools for our children, particularly so in Carlisle where developers of new build homes stop building just short of the qualifying number which requires them to contribute to the building of a new school. There appears to be no indication of when a new school north of the river in Carlisle will be built and how the impact of 10,000 new homes planned for St Cuthberts Garden Village will have on schools in the south of the city and it is probably the same in other areas of Cumberland.

Will the portfolio holder give a guarantee that they will do all they can to ensure that developers are not able to get out of providing contributions towards new build schools so that the education of future generations of our children are not seen as being less important than developer profits?’

The Portfolio Holder for Lifelong Learning and Development responded to say – ‘Thank you for your question, I have a very detailed response which gives specific details in answer to your question, which I do not propose to read now because it is quite lengthy, instead I will ask that it is shared in full with Council via email.

But to respond to you briefly now, our School Places Team assess new housing applications for their impact on school places, and if additional places are needed builder contributions are requested. The National Planning Policy framework governs this process, and any contribution must be directly related to the impact of new housing on school places, taking into account school capacity locally. Funding can be sought for additional places in existing schools, or for new schools, but if a development is only likely to create a requirement for 30 additional places, you can't ask for a whole new school build as a result.

This system isn't without risks, and developers can and do curtail development before hitting a number of new homes that might trigger a school place payment.

And to address quickly your point about the school north of the river in Carlisle, there is land and some developer funding already set aside for this, but to date the existing schools have had sufficient capacity to accommodate all children needing a school place. Also I should add, it isn't within the powers of this Council to simply open a new school, a new school would need to have a sponsoring academy trust or be a free school for example. Education provision in this country is now essentially deregulated, the Local Education Authority is no more, and I think I would struggle to name a single sector that deregulation has actually improved, schools being at the very top of my list’.

- 5. From Councillor Pickstone to Councillor Kelly, PH for Cumberland Policy and Regulatory Services – ‘Could the Portfolio Holder for Cumberland Policy and Regulatory Services inform members how many prosecutions for the illegal sale of ‘vapes’ were made in 2023, and what plans the Authority has to crack down on illegal sales in 2024?’**

The Portfolio Holder for Cumberland Policy and Regulatory Services said – ‘Thank you for this question, there was one prosecution of a vape seller in Cumberland during 2023. Leighton Dodds and his business, Cumbria Vapes Ltd which operated from the Indoor market in Carlisle was fined over £13,500 for selling illegal vapes. Dodds had previously been warned about his conduct by Trading Standards.

3,200 vapes have been seized or voluntarily surrendered during 2023, premises concerned are mainly independent high street shops. All resulted from tip offs.

63 Test Purchases were conducted using an underage volunteer to test compliance of vape sellers in Cumberland. 9 premises sold and were given a written warning. These premises will be tested again before the year end.

For 2024, Trading Standards will continue to conduct Test Purchases using underage volunteers, we will also investigate all complaints regarding the illegal sale of vapes’.

In response Councillor Pickstone said ‘over a quarter of all retail sales are carried out online these days, vapes are no exception to that, after a quick online search it is



possible to find illegal vapes and just by saying that I am over 18 it is possible to buy them for home deliver, I wonder if Council could extend looking at this route of buying products for under 18s which is also a problem’.

The Portfolio Holder in response said that the Council would continue to do what it can with the limited resources at its disposal.

- 6. From Councillor Wernham to Councillor Kelly, PH for Cumberland Policy and Regulatory Services –** ‘Licensing of dog breeders is a little publicised council power. But councils do have extensive powers to oversee and regulate safe and responsible dog breeding within their areas. It is estimated that up to 80% of dog sales come from unlicensed breeders and even puppy farms.

“How many reports has Cumberland received since its inception this year concerning unlicensed and unsafe dog breeding and selling practices. How were these reports dealt with and how many enforcement / police actions were taken against unlicensed dog breeders in this time?”

In response the Portfolio Holder for Cumberland Policy and Regulatory Services said – ‘Since 1 April 2023, authorised officers have investigated 25 reported cases directly related to unlicensed dog breeding across Cumberland. Successful enforcement action has been taken on three occasions: once where the Regulatory Panel refused a license renewal application; once where the Panel revoked a license; and one prosecution for breeding and selling dogs without a license. The last of these led to the individual being fined, ordered to pay costs to the Authority, and banned from keeping any animals in a commercial capacity for 3 years.

A considerable amount of work is also undertaken to ensure licensed dog breeders are maintaining standards in accordance with the licensing requirements. We follow up all complaints and intelligence where it is believed licensed dog breeders are breaching legal requirements. The action taken is dependent on the evidence provided but will in most cases warrant a visit to the premises of the alleged offender, sometimes accompanied by the RSPCA. Again the action taken can range from education and information provision through to prosecution, depending on the scale of the unlicensed undertaking, evidence available and availability of reliable witnesses.

Over the past year the team has also worked closely with our comms team to help raise awareness with the public, including through campaigns targeting people buying dogs to ensure they know how to identify reputable breeders, and through publicising our successful enforcement action. During 2024 all of this work will continue, and further work is planned with the retail site pets4homes to tackle unlicensed sellers, and with local vet practices to enable them to share information appropriately with their clients’.

Councillor Wernham said there are dog artificial insemination businesses offering breeding services in Cumberland offering various services, how is animal welfare for these businesses regulated and inspected?

The Portfolio Holder agreed to find out that information and provide a written response following the meeting.

The Chair informed Council that a further question had been submitted on an issue which arose following the deadline for submission of questions which had been accepted.

**7. From Councillor Pickstone to the Leader** – ‘On Friday 5<sup>th</sup> January 2024, Members received an embargoed email from the Council’s Chief Legal Officer giving a ‘heads-up’ that there would soon be an announcement about the sale of Cumbria Waste Group (CWG) which employs almost 300 staff and is comprised of Cumbria Waste Management Ltd, Cumbria Waste Recycling Ltd and Lakeland Waste Management Ltd, by the Board of Cumbria County Holdings Ltd (CCHL) to Waterland Private Equity Investments.

Can the Leader give a guarantee that following the sale, there will be no future liabilities regarding landfill sites in Cumberland to this Council?’

The Portfolio Holder for Financial Planning and Assets responded on behalf of the Leader as follows –

‘Specialist legal advice was obtained as part of due diligence to reassure the decision maker on this very point.

The way the sale was structured ensured that all pre-existing environmental liabilities and obligations were retained by CWM, including contaminated land liability, non-compliance with environmental permits and any contractual liabilities for environmental matters.

The landfill sites have been transferred in such a way as to ensure that all environmental liability is passed to CWM to the maximum extent possible. This includes using drafting which confirms that each of the conditions of the ‘sold with information’ test have been satisfied and therefore that the Council’s liability under the contaminated land regime transfers to CWM. It also includes an agreement on liabilities which set out that the parties agreed that all environmental liability which could arise for either the Council or CWM is allocated to CWM. This includes liability under the contaminated land regime and environmental liability more widely. The transfer documents also included an indemnity in support of the agreement on liabilities.

The contaminated land regime does not apply to activities undertaken under an environmental permit, so liability would only arise after the permit had been surrendered or disclaimed. This means that issues arising during the lifetime of the permit would be dealt with under the permit. The permit surrender process ensures that all necessary measures have been taken to avoid pollution risk arising from the facility’s operation and to return the site to a satisfactory state. Finally, the financial bond which is required to be in place must be sufficient to cover the costs associated with closing and decommissioning the landfill sites in the event of insolvency.

If an argument is later raised that the Council had knowingly caused or permitted contamination of the land by virtue of causing the waste disposal activities to be carried out on site, before the environmental permitting regime was put in place over 30 years ago, there is a remote risk that the Council will be held to be a Class A person under the contaminated land regime. This is considered to be unlikely. The contractual provisions included in the transfer would put liability onto CWM and the financial performance bond in place ought to be sufficient to cover any liabilities.

In the unlikely event that the financial provision is not adequate, there is no mechanism for the Environment Agency to seek further provision from the former shareholders or to pass responsibility onto the relevant local authority for the area.

It is therefore considered to be highly unlikely that the Council will have any residual liability. The measures which have been put in place mitigate the risk as far as possible’.

Councillor Pickstone thanked the Portfolio Holder for the comprehensive answer and asked if members would continue to be informed as the issue progressed, to which the Portfolio Holder confirmed they would be.

**C.71/23 Minutes of the Executive**

**RESOLVED**, that the minutes of the Executive meeting held on 31 October 2023 be received.

## C.72/23 Motions

1. Councillor Betton moved the following motion:

### Funding for Hospices in Cumberland

'BBC Cumbria reported on 11th December 2023, that Hospices in the north of England face an "existential threat" due to a "funding crisis", according to Paul Marriott, Chair of Hospices North East and North Cumbria, who highlighted that all of its members were running budget deficits and warned of potential staffing cuts without additional funding.

The NHS North East and North Cumbria Integrated Care Board (ICB) provides around £14.5m per year to the region's hospices and stated that funding had increased by 3.4% this year. Mr Marriott emphasized that the funding uplift was below inflation, posing a serious risk to the sustainability of hospices.

Hospices rely on a significant portion of funding from charitable donations, and while the NHS provides some support, the funding may not be adequate to meet the rising costs.

This year, in Cumberland our Hospices at Home in West Cumbria received over £210,000 grant funding from the Allerdale GDF Community Partnership and Copeland Community Fund who themselves are funded by the NDA. In September and December 2020 Carlisle Hospice at Home and Eden Valley Hospice both received £10,000 from Cumbria County Council's Local Committee for Carlisle which was match-funded by Carlisle City Council but have received no additional funding since.

Council therefore resolves to:-

1. Write to the Chief Executive of North Cumbria Integrated Care Board to ask them to increase their funding to all our Hospices in Cumberland in-line with inflation.
2. Grant £20,000 to Eden Valley Hospice in Carlisle.
3. Grant £20,000 to Carlisle and North Lakeland Hospice at Home'.

On moving the motion Councillor Betton said that England's Adult Services have had their Government funding cut by £47m in the past two years according to Hospice UK, that due to insufficient NHS funding many hospices are struggling with the increased inflation and rising costs.

Quoting from an Executive finance report from December 2023 Councillor Betton proposed that the £40k grant suggested as part of the motion, £20k for Eden Valley Hospice, Carlisle and £20k for Carlisle and North Lakeland Hospice at Home, should be taken from an unexpected income pot as set out in the Executive report.

Councillor Perry seconded the motion and reserved her right to speak.

In response the Deputy Leader, Statutory Lead for Childrens Services spoke at length in agreement that hospices provided invaluable services to individuals and families during one of the most challenging times of their lives and raised there were a range of services and providers, including council services, that supported people during their final phases of life. The Deputy Leader said she felt insufficient attention and resources were being directed towards vital hospice charities, that the government must reassess its fiscal policies and introduce targeted relief measures, hospices and all services that were critical to supporting people at their most vulnerable should not be charities but part of the public sector.

In conclusion she said 'we are lucky in this country to have a nation health service paid for via taxation and free at the point of use, but it is at risk, we should all demand better and that is why I will not be supporting the motion'.

Councillor Perry applauded the desire to see hospices no longer as charities but stated we are not at that stage yet. Councillor Perry said she understood the financial constraints of the

Council, stated that Cumberland had an aging population and a commitment for health and wellbeing and asked Council to support the motion.

In his right to reply Councillor Betton urged Council to support the motion.

A vote was taken, the motion Fell.

2. Councillor Wernham moved the following motion:

Plastic Free Cumberland

'Council Notes:

The environmental impact of single-use plastics poses a significant threat to our community's well-being, wildlife, and ecosystems.

Plastics that end up in our oceans are having a catastrophic effect on marine life, sea birds and once degraded into micro plastics, contaminate the food chain including our own.

The existing good work which has been done by our predecessor authorities to reduce the amount of single use plastics in use.

Council recognises the importance of taking proactive measures to reduce plastic waste and promote sustainable practices.

Council ask the Executive: -

1. To undertake an audit of single-use plastics used by the Authority and seek to replace them with sustainable or reusable alternatives where practicable by the end of 2024;
2. To encourage staff and council members to adopt plastic-free practices in their daily activities;
3. To use its communications channels to raise public awareness about the dangers of single-use plastics;
4. collaborate with our public sector partners, local schools, business and community organisations to promote plastic-free practices;
5. recognise and celebrate businesses and individuals making significant efforts to reduce plastic usage;
6. to ask that the Climate and Nature Advisory Group be responsible for overseeing the implementation of the plastic-free initiative;
7. regularly assess and report on the progress of the plastic-free initiative to the Council and community'.

In moving the motion Councillor Wernham said 'single use plastics is not just a global issue but a local one, it affects us all. Every year an estimated 300m tonnes of plastic waste is produced globally with a significant proportion ending up in our oceans.

Existing efforts from predecessor councils must be recognised for example Allerdale BC implemented various environmental initiatives, Copeland BC educated residents on recycling plastics and energy savings, but now it's time to take bolder steps and this motion aims to significantly reduce plastic waste and promotes sustainable practices across Cumberland'.

Councillor Wills seconded the motion and stated that if the motion was approved, he anticipated officers would pull together a strategy and then a programme and from that he would recommend a presentation on the subject, which councillors could take out to their local schools.

The Portfolio Holder for Cumberland Policy and Regulatory Services spoke in support of the views shared in the motion and confirmed officers were already working on an overall strategy and plan on climate, environment and nature.

The Portfolio Holder for Cumberland Policy and Regulatory Services proposed, as the motion was to ask the Executive a series of undertakings, a motion without notice under procedure rule 13.1.4 to refer the motion to Executive for consideration.

The Deputy Leader, Statutory lead for Children's Services seconded the motion.

Following a vote the motion was agreed.

**RESOLVED**, that the motion be referred to a future meeting of the Executive.

### **C.73/23 Portfolio Holder Reports**

The Deputy Leader, Statutory Lead for Children's Services moved the Portfolio Holder update reports and the Portfolio Holder for Financial Planning and Assets seconded them.

Each Portfolio Holder responded, in turn, to questions on their individual report.

From the Leaders report on the funding from likes of UK shared prosperity fund/Future High Street Fund, Cllr Johnson asked for assurance that there would be no further variations to the funding streams and facilities they would be providing and completion times wouldn't be extended past previous agreed terms.

The Deputy Leader agreed to provide a full written response on the total number of projects in the pipeline and current situations.

From the Leaders report on social worker recruitment, Cllr Allison asked how many vacancies did the Council currently have.

The Deputy Leader agreed to provide a written response following the meeting.

On the sale of Cumbria Waste Management, Cllr Markley asked 'can we have assurance that our statutory obligations and functions will continue without any extra increased costs to our local community'.

It was agreed a written response would be provided following the meeting.

From the Sustainable, Resilient and Connected Places Portfolio Holder report, regarding re-fuelling arrangements at Bousteads Grassing depot, Cllr Johnson asked whether a Business Case had been carried out, showing fuel cost savings, and could it be shared with members. The Portfolio Holder agreed to provide a written response following the meeting.

From the Sustainable, Resilient and Connected Places Portfolio Holder report, regarding Highways in-house delivery, Cllrs Mallinson and Johnson asked whether there was a business case.

The Portfolio Holder agreed to provide a written response following the meeting.

From the Sustainable, Resilient and Connected Places Portfolio Holder report, regarding on street cleansing and local environment, Cllr Pratt raised he had previously requested a rota on rural towns and villages for road sweeping but had not received the information, and asked if the PH could help speed up the request. The PH agreed.

On the sale of Cumbria Waste Management, Cllr Allison asked whether the environmental tax duty scheme would still continue, stating it was an important source of funding for the authority.

It was agreed a written response would be provided following the meeting.

**RESOLVED**, that the reports of the Portfolio Holders be received.

The Chair adjourned the meeting at 2:58pm for a short comfort break.

The meeting reconvened at 3:09pm.

**C.74/23 Recommendation from Audit Committee (6/12/23) - Treasury Management - Mid-Year Review 2023-24**

The Chief Finance Officer submitted a report advising members about the Council's treasury management activities during the six-month period ending 30 September 2023 and to provide assurances that treasury management activities had been undertaken in accordance with the Council's approved Treasury Management Strategy Statement and Investment Strategy.

The mid-year review report had been considered and approved by the Audit Committee on 6 December 2023 and it was recommended to Council for noting.

The Portfolio Holder for Financial Planning and Assets moved the report for noting.

**RESOLVED**, that the report be noted.

**C.75/23 Amendments to Contract Procedure Rules**

The Lead Senior Lawyer submitted a report which sought to propose revisions to the Contract Procedure Rules (CPRs) which had previously been adopted by the Shadow Authority on 26 January 2023.

It was noted the CPRs should work together with the Council's Access to Information Rules and the proposed changes therefore would help align those processes and procedures.

The Standards and Governance Committee, at its meeting on 13 December 2023, considered and agreed the proposals and recommended them to Council for approval.

The Chair of the Standards and Governance Committee introduced the report and moved the recommendation on behalf of the Committee. The Deputy Leader, Statutory Lead for Children's Services seconded the motion.

**RESOLVED**, that the updated Contract Procedure Rules be adopted for inclusion in the Constitution.

**C.76/23 Recommendations of the Standards and Governance Committee: Public Participation and Councillor Participation**

The Monitoring Officer submitted a report to update members on a review of the Constitution, in particular the Public Participation Scheme and the Petitions Scheme.

The Constitution Working Group had carried out a piece of work to review those sections of the Constitution and made recommendations to the Standards and Governance Committee which had been agreed.

The Chair of the Standards and Governance Committee introduced the report and moved the recommendations on behalf of the Constitution Working Group. The Deputy Leader, Statutory Lead for Children's Services seconded the motion.

Councillor Betton spoke against the recommended changes to the Procedure Rules as set out in Appendix 1 and moved an amendment that they were to be unchanged. There was no seconder to the motion and it therefore fell.

**RESOLVED**, that:

- 1) The proposed changes to the Constitution as recommended by the Standards and Governance Committee be adopted;
- 2) The proposed Public Participation Scheme and the Petitions Scheme be agreed for publication on the Council's website.

### **C.77/23      Operation of the Provisions Relating to Call-in and Urgency**

The Monitoring Officer submitted a report to inform members on the position with the requirements of the Constitution relating to the call-in and Urgency provisions.

Members were asked to note the recorded decisions, as detailed in the report and Appendix 1, that had been taken under Urgency and Special Urgency procedure rules.

The Deputy Leader, Statutory Lead for Children's Services moved the report for information.

**RESOLVED**, that the position be noted.

### **RESOLVED - Items to be considered in Part B**

Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

### **C.78/23      Carlisle Sands Centre: Amendment (virement) of budget within the existing capital programme**

Following a decision in September 2023 to close the Sands Centre, Carlisle, due to safety concerns related to the Reinforced Autoclaved Aerated Concrete (RAAC) roof, work had been undertaken to understand the impact of the closure and consider viable options for both the future of the facility and the related activities the facility currently supported.

The Portfolio Holder for Financial Planning and Assets presented a report regarding the amendment (virement) of budget within the existing capital programme to ensure budget was available to award roof enhancement works at Carlisle Sands Centre.

The report had been considered and approved by the Executive on 11 January 2024 and it was recommended to Council as an urgent item for approval to minimise any delay in beginning the works on the roof.

The Portfolio Holder for Financial Planning and Assets moved the recommendations as per the report, this was seconded by the Deputy Leader, Statutory Lead for Children's Services.

**RESOLVED**, that

- 1) the report be noted;
- 2) the capital programme amendments (virements) of £2.500m to facilitate the replacement of Sands Centre Roof be agreed.

The meeting finished at 3.37 pm



1. Question from Cllr Mike Johnson on the Leaders PH report – on the funding from likes of UK shared prosperity fund/FHSF, he asked for assurance there would be no further variations to the funding streams and facilities they will be providing and completion times wont be extended past previous agreed terms.

The Deputy Leader agreed to provide a full written response on the total number of projects in the pipeline and current situations

*UKSPF is predominantly revenue funding that is being delivered by the Council by 31<sup>st</sup> March 2025 through a mix of direct delivery and grant funding, which is fixed by grant agreements. To maintain spend on target in the final year of delivery, no variations are being proposed to the funding streams for the set themes – Communities and Place, Local Business Support and People & Skills.*

*Towns Fund and FHSF are capital funding being delivered in key Cumberland towns:*

- *Carlisle is focussed on delivering four projects through the Future High Streets Fund (Devonshire Street, Market Square, Central Plaza and Castle Street) and six projects through the Town Deal (Southern Gateway, Carlisle Business Exchange Centre, Carlisle Digital and Community Hub, Lighting Up Carlisle and Start with the Park). These are being delivered to the scope in line with the business cases approved by DLUHC. An extension was recently agreed with DLUHC for an extension to the timeframe for delivery of the Future High Streets Fund projects into 2024/25. No variations are currently being forecast/proposed to the Future High Streets Fund and Town Deal projects.*
- *Workington includes 4 Town Deal projects in addition to the completed Digital Accelerator Hub (Innovation Centre, Public Realm, Clean Energy and Logistics Hub). There is pressure on the Innovation Centre project due to an increase in construction costs and the Project Team are currently reviewing options for the delivery of this project. The remaining projects are progressing and are currently anticipated to be deliverable within the timeframe for the Town Deal programme.*
- *Maryport seeks to deliver a total of 7 projects as part of the revised FHSF Programme. (Love Maryport Living, Public Realm improvements, Christ Church, Carlton, Maryport Activity Centre, Harbourside Events and Play Area and the Promenade Café and Recreational Area). All project are currently on schedule to be delivered in line with the agreed timeframe for the FHSF Programme.*
- *Cleator Moor is focused on delivering the four projects (Enterprising Town, Revitalised Town, Healthy Town and Connected Town) to scope in line with the agreed Town Deal business cases. No variations are currently being forecast/proposed to the funding streams. The main pressure is against the Enterprising Town project due to escalating project costs however, the project is forecast to be delivered within the grant funding*

*period and deadline for funding drawdown. A budget pressure of circa £3m remains, which is being addressed through value engineering/design scope reviews with the intent to draw down any additional capital required to fully finance the project on the basis of a financially viable business case underpinned by the iSH campus delivery.*

- Millom is focused on delivering the four projects (Iron Line, Reactivating Heritage Buildings, Activating Community Health and Connected Millom & Haverigg) to scope in line with the agreed Town Deal business cases. No variations are currently being forecast/proposed to the funding streams. There has been slippage in schedules delivering Iron Line and Activating Community Health due to site survey restrictions and procurement respectively which may impact final completion dates, but can be managed within Town Deal and match funding spend requirements.*

2. Question from Cllr Trevor Allison on Deputy Leaders PH report – social worker recruitment – have all vacancies now been filled or is it part of an ongoing programme? With a follow up question, how many vacancies do we have currently?

*We have 33 front line Social Work vacancies within Childrens Services. We have employed 16 overseas Social Workers, 5 of whom have commenced work at the beginning of February but have not been badged against the vacancy list yet, until they have completed their 4 induction programme. We have 7 Newly Qualified Social Workers who have started in the Social Work Academy in October 2023 and they will also fill current vacancies at the end of their 12 month programme. We have an ongoing programme of Social Work recruitment.*

3. Question from Cllr Markley – on the sale of CWM - can we have assurance that our statutory obligations and functions will continue without any extra increased costs to our local community?

*The waste disposal related statutory obligations and functions of Cumberland Council form part of the 25 year Public Private Partnership (PPP) contract with Renewi to deliver waste disposal services including landfill activities and HWRC services. Cumberland Council is the host of the PPP (on behalf of itself and Westmorland & Furness Council) but neither Council is involved in the decision making of how Renewi sub-contract that work - that is for Renewi to determine.*

*In relation to the cost of the services that CWM provides, directly or indirectly to the Council, will be unaffected by the sale with no changes to the control of the household recycling centre sites and there could indeed be a positive impact for the Councils in the future given the significant inward investment in the Group.*

4. Question from Cllr Mike Johnson - under Fleet, re-fuelling arrangements at Bousteads Grassing depot – has a Business Case been carried out on this, showing fuel cost savings and can it be shared with members?

Although there was no 'business case' there was a simple projection based on the price difference between using bulk fuel from the depot and the cost of buying it from different fuel stations. These numbers can be provided when refreshed, I will pass those on.

There are also other efficiencies / benefits which are more difficult to quantify, such as reducing vehicle down time and additional miles travelled to local fuel stations, meaning the refuse crew for example arrive at the first bin in the morning earlier, avoiding the need to divert off route for fuel.

5. Question from Cllrs John Mallinson & Mike Johnson – Highways delivery, on in-house delivery - is there a business case?

At this moment in time there is no business case for this service, however a review of the service delivery will be undertaken during 24/25. Individual trials are currently taking place on various delivery models in operations which we will report back on in due course.

6. Question from Cllr Pratt on street cleansing and local environment, on deep cleans – he has requested a rota on rural towns and villages for road sweeping but not received anything, he asked if Cllr Rollo could help speed up this request for information for him

*Our current programmes see quarterly sweeps of rural routes. In addition to these routes the service can respond to areas of concern and it is why we encourage elected members and the public to communicate these to us. As the service continues to transform we will seek to continually improve our systems of working.*

*Last year deep cleans were undertaken in Workington, Cleator Moor, Millom and Egremont. Naturally these were paused in over the winter but for the year ahead we are planning to undertake deep cleans in Whitehaven, Brampton, Longtown, Wigton and Maryport.*

7. Question from Cllr Trevor Allison – on the sale of CWM – will the environmental tax duty scheme still continue as it is an important source of funding

*Cumbria Waste Management Environment Trust (CWMET) - is an Independent Charity and Limited Company based within Cumbria Waste Management Group, who have confirmed that the grant scheme will continue to exist.*

This page is intentionally left blank



## **Executive**

**Date:** Friday, 15 December 2023

**Time:** 10.30 am

**Location:** Flensburg Room - Civic Centre, Carlisle

**Present:** Cllr M Fryer (Chair), Cllr Dr B Kelly, Cllr E Lynch, Cllr B Cannon, Cllr M Campbell-Savours, Cllr A Quilter and Cllr D Rollo

### **Also Present:**

**In Attendance** Chief Legal Officer (Monitoring Officer)  
Chief Finance Officer (Section 151 Officer)  
Director of Public Health and Communities  
Assistant Chief Executive - Director of Strategy, Policy and Performance  
Director of Place, Sustainable Growth and Transport  
Director of Resources  
Assistant Director of Commissioning and Procurement

### **EX.44/23 Call In**

Date of Publication: 19 December 2023

Call-in Period Ends: 28 December 2023 @16:00hours

Notes: Information regarding call-in procedures can be viewed in Paragraph 13 of Part 3 – Section 5 Overview and Scrutiny Procedure Rules in the Council's Constitution: [Council constitution | Cumberland Council](#)

### **EX.45/23 Apologies for absence**

Apologies for absence were submitted on behalf of Councillor Lisa Brown, Councillor Christopher Southward and Councillor Emma Williamson.

### **EX.46/23 Declarations of Interest**

In accordance with the Council's Code of Conduct Councillor Markus Campbell-Savours declared a registrable interest in respect of agenda item 10 – Family Wellbeing Programme – Aims, Objectives and Vision. The interest related to his spouse being an employee who was subject of the contract.

### **EX.47/23 Exclusion of Press and Public**

RESOLVED – It was agreed that items in Part A be dealt with in the public and the items in private to be dealt with in Part B when the public and the press are excluded.

### **EX.48/23 Minutes of Previous Meeting**

RESOLVED – That the minutes of the meeting of the Executive held on 31 October be approved and signed by the Leader.

## **EX.49/23 Public Participation**

Pursuant to Executive Procedure Rule 9.1, a question had been submitted by a member of the public. The Leader advised that following the publication of the agenda, the submitter of the question had communicated that they wished to withdraw the question included on the agenda and replace it with a different question. The Leader had considered the request and determined, in accordance with Executive Procedure Rule 1.21, that the amended question may be accepted as a matter of urgency. Copies of the amended question were circulated and was worded as follows:

*“In respect of a significant body of supporting evidence presented by Allonby Chalet Owners Campaign group, and representations by local constituents to their elected representatives; in the Calculation of the Council Tax Base for 2024/ 2025, does the executive committee intend to recommend to Cumberland Council to restore the 50% discount for Class A purpose-built holiday chalets with a planning restriction that prevents occupancy for three and a half months of the year.”*

The Financial Planning and Assets Portfolio Holder responded in the following terms: She thanked the Chalet group for the question. Both herself as portfolio holder, local members and officers have been working with them to understand their situation. Council Tax on second homes is an important element of our funding. However, we do recognise that class A properties with planning restrictions are in a unique situation. I can confirm that it is the intention of Executive to recommend that a 50% discount is applied to those properties as part of the 24/25 budget setting process.

## **EX.50/23 Executive Announcements**

The Executive Member for Sustainable, Resilient and Connected Places made two announcements.

### Zebra 2 Funding

It was with disappointment that she reported that Cumberland Council was being held back from submitting an application for today’s deadline to the Department for Transport’s Zero Emission Bus Regional Areas (ZEBRA) 2 fund as Stagecoach have advised that it would not support the Council’s bid.

“The ZEBRA2 funding was part of the Government’s plans towards a fully zero emission bus fleet. The funding pot sat at £129m nationally and Cumberland Council was geared up to submit a bid for a share of the money which would have helped Stagecoach to fund 26 electric buses in Carlisle City Centre.

As part of the funding application, a supportive letter from the local bus operator was required. Stagecoach had informed the Council, that it was not willing to support Cumberland’s bid. Stagecoach had taken the decision to support 25 other bids, and when ranked through its internal scoring system, the Carlisle bid was placed 26<sup>th</sup>. After a meeting with Stagecoach it was explained that the scoring system was a formula of mileage vs passengers. A meeting with the directors to appeal the decision was requested but did not happen.

Stagecoach had also stated that it would only support the bid if the Council would commit to a contribution of public funds which would pay for the installation of charging facilities in its own bus depots. In 2021 Stagecoach launched a new sustainability strategy with a call for “radical behaviour change and incentives to reward the right choices” to make net zero a reality so this outcome was demoralising and disappointing to the future growth of a cleaner city.

This was a huge blow for Cumberland and the people of Carlisle. We could have seen 26 new clean, green electric buses on the streets of Carlisle and it's disappointing that Stagecoach had decided not to back our bid which would support the push to decarbonise our transport networks.

This highlights the issue with deregulated public transport, and the combination of the behaviour of operators which leads to instability in the provision of bus services and highlights unrealistic aspirations of our residents and councillors.

Bus services in Cumberland were stuck in a doom spiral of declining services and reducing the attractiveness and availability of public transport for all. This had a huge impact on our economy, reducing effective travel to work areas, cutting off businesses from talent and people from work and education opportunities.

We know from passengers, stakeholders and operators the challenges that public transport is facing: tight budgets and rising prices; time pressures and delays; too small a network; sickness and unreliability of old vehicles. We need a government policy that can contribute to a fairer, greener and thriving society rather than this government's approach to competitive bidding for funding or the command and control version of levelling up.

However, we will continue with improving services through the current BSIP funding and the list of services for phase 1 is almost finalised where we are likely to see the additional services in place for late April / May. With the Network North grant we are going to explore how we can provide 'sustainable bus services' in rural areas, which may be in the form of 'on demand' transport or even a model like Transport for Cornwall.

## **Highways**

The Executive Member for Sustainable, Resilient and Connected Places had recently undertaken a visit to Millom to observe the work of the highways team in the area and warmly thanked them for their efforts.

### **EX.51/23 Launch of Budget Consultation 2024-25**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the forward plan)

**Portfolio:** Financial Planning and Assets

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny

**Subject:**

The Financial Planning and Assets Portfolio Holder submitted a report starting the budget consultation process. The Portfolio Holder acknowledged the legal duty to consult on the budget, she further emphasised the Council's commitment to engagement and transparency and the importance of understanding residents' views on the proposals.

In moving the report, the Financial Planning and Assets Portfolio Holder encouraged residents to participate in the consultation. The Leader seconded the proposal.

**Alternative Options:** Not applicable – consultation must be carried out in accordance with established principles.

**DECISION:** That the Executive:

- 1) Delegated authority to the Director of Resources to issue consultation to the public;
- 2) Delegated authority to the Section 151 Officer, following consultation with the Portfolio Holder for Financial Planning and Assets, the Director of Resources and the Chief Legal Officer to undertake statutory consultation; and
- 3) That officers provide a report to a future meeting of the Executive on budget proposals for consideration and recommendation to Council.

**Reason for decision:** To launch the Budget Consultation for 2024/25.

### **EX.52/23      Permission to procure a new Extra Care Housing Framework**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the forward plan)

**Portfolio:** Adults and Community Health

**Relevant Scrutiny:** People Overview and Scrutiny

**Subject:**

The Adult's and Community Health Portfolio Holder submitted a report regarding the creation of a new Extra Care Housing Framework in Cumberland from 1<sup>st</sup> August 2024 to 31<sup>st</sup> July 2028 for a 4 year extension with a potential extension (1+1.)

The Adult's and Community Health Portfolio Holder moved the report recommendations which the Leader seconded.

**Alternative Options:**

A: Undertake an invitation to tender exercise via the Chest establishing a Tender procurement platform for each individual Extra Care Housing Schemes in Cumberland x 5 (Burnside Court, Heysham Garden, Duddon Mews, Lister Court, Sycamore House) currently delivered by the independent sector and award the contract to the preferred supplier following a competitive assessment process for each Extra Care Housing scheme.

B: Bring all the Extra Care Housing schemes in house when their existing contracts expire, so Cumberland Care can facilitate delivery of all Care and Support in Extra Care Housing services.

**DECISION:**

That the Executive:

- 1) Approve the creation of a new Care and Support in Extra Care Housing Framework from 1<sup>st</sup> August 2024 to 31<sup>st</sup> July 2028 (with the potential for two 12 months extensions.)



2) Delegate the appointment of Providers to the Framework (for providers that meet or exceed the published tender criteria), to the Executive Director of Adult Social Care & Housing following the initial tender exercise, with subsequent appointments delegated to Commissioning Managers within the Commissioning & Procurement team.

3) Delegate the award of individual Extra Care Service Orders/Packages of care to Team Managers within the Adult Social Care & Housing Team. (I.e., Sign off Service Provision Orders.)

**Reason for Decision:**

The existing Extra Care Housing Framework had been effective in delivering the Council's extra care duties and following consultation with all the existing registered framework providers the Council confirmed the method of commissioning was preferable when compared to individual contracts.

**EX.53/23 School Funding Formula 2024-25**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the forward plan)

**Portfolio:** Lifelong Learning and Development

**Relevant Scrutiny:** People Overview and Scrutiny

**Subject:**

The Lifelong Learning and Development Portfolio Holder submitted the proposed arrangements for school funding in 2024/25 and an update on the outcome of a recent consultation with schools.

The Lifelong Learning and Development Portfolio Holder moved the report recommendations which the Leader seconded.

**Alternative Options:** Not to apply the National Funding Formula in 2024/25.

**DECISION:**

That the Executive accept the recommendations of the schools forum, namely to:

1) Allocate funding to schools and academies in Cumberland using the National Funding Formula in 2024/25 and;

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 and;

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 factors in the formula will be reduced.

**Reason for Decision:**

Consultation was carried out with all affected schools and academies in Cumberland. Failure to approve a school funding formula would mean the local authority could not fulfil its statutory obligation to publish school budget shares in February 2024.

**EX.54/23 Family Wellbeing Programme - Aims, Objectives and Vision**

*Councillor M Campbell-Savours, having declared a registrable interest in the item of business left the room and took no part in the discussion nor determination of the matter.*

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the forward plan)

**Portfolio:** Childrens, Family Wellbeing and Housing

**Relevant Scrutiny:** People Overview and Scrutiny

**Subject:**

The Children's, Family Wellbeing and Housing Portfolio Holder submitted a report regarding the aims, objectives, and vision of the Family Wellbeing Programme, and noted the progress of the transformation programme in achieving positive outcomes for Children and Young people in Cumberland.

The Children's, Family Wellbeing and Housing Portfolio Holder moved the recommendations in the report which the Leader seconded.

**Alternative Options:** Not to agree the proposed Family Wellbeing Programme. For the Executive to propose an alternative vision for the Family Wellbeing Programme.

**DECISION:**

That the Executive:

- 1) Agree to the aims, objectives and vision of the Family Wellbeing Programme;
- 2) Note the progress of the transformation programme in achieving positive outcomes for Children and Young People in Cumberland

**Reason for Decision:**

To agree the overall aims, vision and objectives of the service.

*Councillor M Campbell-Savours resumed his seat.*

**EX.55/23 School Admission Arrangements 2025-26**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the forward plan)

**Portfolio:** Lifelong Learning and Development

**Relevant Scrutiny:** People Overview and Scrutiny Committee

**Subject:**

The Lifelong Learning and Development Portfolio Holder submitted a report regarding the proposed 2025-26 admission arrangements for Community and Voluntary Controlled schools, for which Cumberland Council is the statutory admission authority.

The Lifelong Learning and Development Portfolio Holder moved the recommendation set out in the report, the Leader seconded the proposals.

**Alternative Options:**

That the proposals be amended and the current PAN at Lanercost CE School, Brampton be retained.

**DECISION:**

That the Executive:

- 1) Approved the proposed admissions arrangements for Community and Voluntary Controlled schools at Appendix A, including the proposed increase in the Published Admission Number (PAN) at Lanercost CE School, Brampton, at Appendix C;
- 2) Approved the proposed co-ordinated admission scheme for 2025-26 at Appendix B; and
- 3) Approved the relevant area for admission authorities in Cumberland, Appendix D.

**Reason for Decision:**

The School Admissions Code 2021 imposes mandatory requirements in relation to the discharge of functions relating to admissions. The Council, as the admissions authority for Community and Voluntary Controlled Schools in Cumberland, has a statutory duty to act in accordance with the relevant provisions of the Code.

Admissions authorities must formulate a co-ordinated admissions scheme by 1 January and determine admission arrangements by 28 February every year, even if they have not changed from previous years and consultation has not been required.

The proposed PAN change for Lanercost CE Primary is at the request of the school in order to support local demand for places. Any proposed increase in PAN must be consulted upon prior to being determined as part of the Council's admission arrangements.

**EX.56/23      Permission to procure for Core Surfacing contract**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the Forward Plan)

**Portfolio:** Sustainable, Resilient and Connected Places

## **Relevant Scrutiny:** Place Overview and Scrutiny

### **Subject:**

The Sustainable, Resilient and Connected Places Portfolio Holder submitted a report regarding the permission to procure and to delegate the subsequent permission to award for a contract for the delivery of Core Highway Surfacing schemes within Cumberland Council. The Portfolio Holder advised that the contract value, when including Levelling Up Fund Activity was £50M.

The Sustainable, Resilient and Connected Places Portfolio Holder moved the recommendations and the Leader seconded them.

### **Alternative Options:**

A: To not re-procure/no contract. This is not considered appropriate as, due to the projected contract value, this would mean non-compliance with the Contract Procedure Rules and the Procurement Contract Regulations 2015. It would also risk not being able to meet the deadline set out in the Levelling Up Fund requirements and the Councils requirements to deliver the Highways grant spend.

B: To procure each scheme individually. This is not considered as appropriate due to losing economies of scale and being able to achieve value for money for the council. In addition internal resource would need to be significantly increased as there would be increased procurement and complexity. Furthermore in due course cumulative value of ad hoc procurements would in a short time breach the Public Contracts Regulations threshold.

C: Delivery of the schemes by inhouse teams. This is not considered an option due to the scale of work required. Whilst it is the aspiration of the in-house service to be able to deliver some of these works in due course (reference para 2.1 above), the capacity and capability does not currently exist to allow this to be a viable option.

### **DECISION:**

That the Executive:

- 1) Give permission to procure for a single supplier contract to enable the delivery of Core Highways Surfacing schemes for Cumberland Council for a period of 3 years beginning 1<sup>st</sup> April 2024 with a maximum spend of £50m and;
- 2) Delegate authority to award the contract to the Director of Place, Sustainable Growth and Transport.

### **Reason for decision:**

To enable the delivery of Core Highways Surfacing schemes for Cumberland Council for a period of 3 years beginning 1st April 2024 with a maximum spend of £50m and to delegate the subsequent award of the contract decision to the Director of Sustainable Growth and Transport.

## **EX.57/23 Swimming Pool Support Fund Phase 2 (if successful in receiving funding) - Cumberland Council acting as Accountable Body**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the Forward Plan)

**Portfolio:** Vibrant and Healthy Places

**Relevant Scrutiny:** Place Overview and Scrutiny

**Subject:**

The Vibrant and Healthy Places Portfolio Holder submitted a report regarding the authority to be the accountable body for the distribution of government grant monies to swimming pool operators in relation to receipt of SPSF Phase 2 funding.

The Vibrant and Healthy Places Portfolio Holder moved the recommendations which the Leader seconded.

**Alternative Options:**

Not to act as accountable body for grants received as part of Phase 2 of the Swimming Pool Support Fund once the terms of a grant funding agreement are agreed.

**DECISION:**

That the Executive:

- 1) The Council acts as accountable body for grants received as part of Phase 2 of the Swimming Pool Support Fund once the terms of a grant funding agreement are agreed.
- 2) The Executive delegates authority to the Assistant Director of Neighbourhoods to agree the final terms of funding agreements associated with the fund following consultation with the Leader and Portfolio Holder, Chief Finance Officer and Monitoring Officer.

**Reason for decision:**

The recommendation will support the Council plan priorities surrounding health and wellbeing by ensuring that DCMS can be providing direct support to swimming pools.

**EX.58/23 Quarter 2 (April to September) Finance Report**

(Non Key Decision)

**Portfolio:** Financial Planning and Assets

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny

**Subject:**

The Financial Planning and Assets Portfolio Holder submitted the Quarter 2 Finance Report 2023/2 which set out the Council's financial performance against budget for the period April to September 2023 along with the forecast position to 31 March 2024. It was noted that the position had improved compared to Quarter 1 in relation to both the revenue and capital budgets. Work was currently being carried out to review, and identify mitigations where appropriate to minimise potential impacts on balances.

The Financial Planning and Assets Portfolio Holder moved the report recommendations which the Leader seconded.

**Alternative Options:**

Not applicable.

**DECISION:**

That the Executive:

- 1) Noted the content of the report.
  
- 2) Approved the capital programme amendments of £1,561,706 detailed in section 4

**Reason for decision:**

To ensure that the Executive was fully briefed on the Council's financial performance against budget for the period April to September 2023 along with the forecast position to 31 March 2024. To approve the capital programme amendments of £1,561,706 detailed in section 4.

**EX.59/23 Executive and Scrutiny Protocol**

(Non Key Decision)

**Portfolio:** Governance and Thriving Communities

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny Committee

**Subject:**

The Leader submitted details on the proposals for an Executive and Scrutiny Protocol for Cumberland Council. The Protocol was concise, with focus on ethos and principles. A Scrutiny Development Plan will set out detail of how scrutiny will continue to upskill, engage with Executive and achieve over each year. It will also document evidence of a good working relationship and a mutual commitment to good governance.

**Alternative Options:**

Not to endorse the Protocol.

**DECISION:**

That the Executive endorse the Executive and Scrutiny Protocol.

**Reason for decision:**

To reflect good practice and to commit to good governance within the Council.

**EX.60/23 Corporate Enforcement Policy**

(Non Key Decision)

**Portfolio:** Cumberland Policy and Regulatory Services

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny Committee

**Subject:**

The Cumberland Policy and Regulatory Services Portfolio Holder submitted the proposed Corporate Enforcement Policy for consideration and adoption. The Portfolio Holder noted that it was essential for Cumberland Council to have a standardised set of policies across its area. The proposed policy would provide a foundation for the development of enforcement policies in specialist areas and had been developed as a tool to advise and inform residents and businesses of relevant rules.

The Cumberland Policy and Regulatory Services Portfolio Holder moved that the Enforcement Policy as contained in Appendix A be adopted. The Leader seconded the proposal.

**Alternative Options:**

To continue with the status quo and not adopt the policy.

**DECISION:**

That the Executive adopt the Enforcement Policy as set out in Appendix A of the report.

**Reason for decision:**

The policy represents good practice and offers clarity on the council's overarching principles with regard to enforcement.

**EX.61/23 Leisure Review and Contracts**

(Key Decision)

(The Leader agreed to this Key Decision item being considered at this meeting, although not in the Forward Plan)

**Portfolio:** Vibrant and Healthy Places

**Relevant Scrutiny:** Place Overview and Scrutiny

**Subject:**

The Vibrant and Healthy Places Portfolio Holder submitted an update on the development of a leisure review and to agree an approach to leisure contracts. Existing leisure contracts in the former Allerdale and Copeland areas were due to expire in April 2024. The report set out an approach to the management of existing contracts while also moving forward with a full leisure review.

**Alternative Options:**

To Procure new long-term contracts to start in April 2024. To Procure a short-term leisure contract of 24 months to allow for a full asset and service review, consultation and procurement of new contract. To allow contracts to lapse and do not re-procure. This would mean that the services would need to be delivered in house.

## **DECISION:**

That the Executive:

- 1) Authorise the extension of the leisure contracts covering the Allerdale and Copeland areas for up to an additional 24 months to March 2026 this to allow for a full asset and service review, consultation and to undertake an effective procurement process for a new contract or bring forward an alternative delivery approach.
- 2) Delegate authority to the Director of Place, Sustainable Growth and Transport to agree the final terms of an extension of the leisure contracts covering the Allerdale area to March 2026 following consultation with the Leader and Portfolio Holder.
- 3) Delegate authority to the Director of Place, Sustainable Growth and Transport to agree the final terms of an award of the leisure contract covering the Copeland area to the current provider up to March 2026 following consultation with the Leader and Portfolio Holder.
- 4) Delegate authority to agree terms for the associated lease arrangements to the Director of Resources following consultation with the Leader and Portfolio Holder, Section 151 Officer and Monitoring Officer.
- 5) Note that the outcome of the Council's leisure review will be reported to a future meeting of the Executive for a decision to be made on the next steps in the delivery of leisure provision within Cumberland.

### **Reason for decision:**

#### **EX.62/23 Leisure Review and Contracts**

(Key Decision)

**Portfolio:** Vibrant and Healthy Places

**Relevant Scrutiny:** Place Overview and Scrutiny Committee

### **Subject:**

The Vibrant and Healthy Places Portfolio Holder submitted private appendices 1 – 4 of the public Leisure Review and Contracts report.

The Vibrant and Healthy Places Portfolio Holder moved that the appendices be noted which the Leader seconded.

## **DECISION**

To note the private appendices.

### **Alternative Options:**

Not applicable.

### **Reason for decision:**

To note the private appendices.



The meeting finished at 11:15pm

This page is intentionally left blank



## **Executive**

**Date:** Thursday, 11 January 2024

**Time:** 10.30 am

**Location:** Allerdale House, Workington, CA14 3YJ

**Present:** Cllr M Fryer (Chair), Cllr L Brown (Vice-Chair), Cllr E Williamson (Vice-Chair), Cllr Dr B Kelly, Cllr E Lynch, Cllr B Cannon, Cllr A Quilter, Cllr D Rollo and Cllr C Southward

**In Attendance** Director of Business Transformation and Change  
Chief Legal Officer (Monitoring Officer)  
Chief Finance Officer (Section 151 Officer)  
Chief Executive  
Director of Children and Family Wellbeing  
Director of Resources  
Director of Public Health and Communities  
Assistant Chief Executive - Director of Strategy, Policy and Performance  
Director of Adult Social Care and Housing  
Director of Place, Sustainable Growth and Transport  
Democratic Services Manager

### **EX.63/23 Call In**

Date of Publication: 15 January 2024

Call-in Period Ends: 22 January 2025 @16:00hours

Notes: Information regarding call-in procedures can be viewed in Paragraph 13 of Part 3 – Section 5 Overview and Scrutiny Procedure Rules in the Council's Constitution: Council constitution | Cumberland Council

### **EX.64/23 Apologies for absence**

Apologies for absence were submitted on behalf of Councillor Markus Campbell-Savours.

### **EX.65/23 Declarations of Interest**

There were no declarations of interest submitted.

### **EX.66/23 Exclusion of Press and Public**

RESOLVED – It was agreed that items in Part A be dealt with in the public and the items in private to be dealt with in Part B when the public and the press are excluded.

### **EX.67/23 Minutes of Previous Meeting**

RESOLVED – That the minutes of the meeting of the Executive held on 15 December 2023 be approved and signed by the Leader.

## **EX.68/23 Public Participation**

There were no questions, petitions or deputations submitted by members of the public.

## **EX.69/23 Executive Announcements**

There were no announcements from the Executive.

## **EX.70/23 Council Plan Delivery Plan and Performance Framework**

(Key Decision)

**Portfolio:** Cumberland Policy and Regulatory Services

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny

### **Subject:**

The Cumberland Policy and Regulatory Services Portfolio Holder submitted the proposals for the Delivery Plan and Performance Framework which set out how the strategic ambitions within the Cumberland Council Plan 2023 – 2027 would be delivered and monitored.

The Cumberland Policy and Regulatory Services Portfolio Holder reported that the Council Plan was the Council's key strategic planning document, which articulated the Council's overall aims and ambitions. The Delivery Plan built on the early transformation plans and described the key activity that the Council would deliver over the next 18 months to meet the priorities, objectives and ambitions set out in the Council Plan.

The draft performance management framework described how the Council would undertake performance management so the Council understood, analysed and addressed performance to achieve its objectives and proactively plan for and respond to changing needs.

The Cumberland Policy and Regulatory Services Portfolio Holder moved the recommendations in the report.

The Leader emphasised that the key actions were the mechanics for the Council to deliver its objectives of putting health and wellbeing at the heart of everything it did, in addition to helping the Council address serious issues facing residents.

The Governance and Thriving Communities Portfolio Holder was proud to support the document to ensure that the Council delivered on its priorities which impacted the lives of Cumberland residents. She stressed that it was the responsibility of all Members and officers to deliver the actions in the Plan. She moved a further recommendation that the Council Plan Delivery Plan be reviewed by the Executive on a six monthly basis.

The Leader seconded the recommendations in the report and the additional recommendation moved by the Governance and Thriving Communities Portfolio Holder.

**Alternative Options:** To make amendments to the proposals, to recommend alternatives to the projects and initiatives and associated measures identified in the Deliver Plan.

### **DECISION:**

That the Executive:

- 1) Agreed the Delivery Plan of activity for 2024-25;
- 2) Agreed the Corporate Performance Management Framework;
- 3) Requested that Council Plan Delivery Plan be submitted to the Executive on a six monthly basis.

**Reason for decision:**

The Delivery Plan and Performance framework would support delivery of the Council Plan priorities by allowing the organisation to monitor delivery against priorities as articulated in the Cumberland Council Plan 2023-27

**EX.71/23 Public and Press**

RESOLVED - That in accordance with Section 100A(4) of the Local Government Act 1972, the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information, as defined in Paragraph Number 1 of Part 1 of Schedule 12A of the 1972 Local Government Act.

**EX.72/23 Carlisle Sands Centre : Amendment (virement) of budget within the existing capital programme**

(Key Decision)

(Public and Press excluded by virtue of Paragraph 3)

**Portfolio:** Financial Planning and Assets

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny

**Subject:**

The Financial Planning and Assets Portfolio Holder reported that following a decision in September 2023 to close the Sands Centre, Carlisle, due to safety concerns related to the Reinforced Autoclaved Aerated Concrete (RAAC) roof, work had been undertaken to understand the impact of the closure and consider viable options for both the future of the facility and the related activities the facility currently supported.

The Financial Planning and Assets Portfolio Holder presented a report regarding the amendment (virement) of budget within the existing capital programme to ensure budget was available to award roof enhancement works at Carlisle Sands Centre.

The Executive discussed the report and requested that the matter be submitted to Council on 16 January as an urgent item to minimise any delay in beginning the works.

The Leader seconded the recommendation.

**Alternative Options:** As detailed in the report.

**DECISION:**

That the Executive:

- 1) noted the contents of the report;
- 2) recommended to Council the capital programme amendments (virements) of £2.500m to facilitate the replacement of Sands Centre Roof be agreed.

**Reason for decision:**

To ensure there was sufficient budget identified within the existing capital programme to award roof enhancement works at Carlisle Sands Centre, and for the replacement roof to be progressed at the earliest opportunity.

The meeting finished at 11.05 am



## **Executive**

**Date:** Tuesday, 13 February 2024

**Time:** 10.30 am

**Location:** Bainbridge Room, Copeland Centre, Catherine Street, Whitehaven, CA28 7SJ

**Present:** Cllr M Fryer (Chair), Cllr L Brown (Vice-Chair), Cllr E Williamson (Vice-Chair), Cllr E Lynch, Cllr B Cannon, Cllr MD Campbell-Savours, Cllr D Rollo and Cllr C Southward

**In Attendance** Director of Business Transformation and Change  
Chief Legal Officer (Monitoring Officer)  
Policy and Scrutiny Officer  
Chief Finance Officer (Section 151 Officer)  
Chief Executive  
Director of Resources  
Director of Public Health and Communities  
Assistant Chief Executive - Director of Strategy, Policy and Performance  
Director of Adult Social Care and Housing  
Assistant Director of Neighbourhoods  
Assistant Director (Service Provision) – Adult Social Care and Housing

### **EX.73/23 Call In**

The Leader reported that the Chair of the Business and Resources Overview and Scrutiny Committee had, on 6 February 2024, agreed that agenda item 8. Budget 2024-25 and Medium Term Financial Plan, should be exempt from call-in as call-in procedures would overlap the Cumberland Council meeting on 6 March 2024 when the matter was scheduled for consideration.

Date of Publication: 15 February 2024

Call-in Period Ends: 22 February 2024 @16:00hours

Notes: Information regarding call-in procedures can be viewed in Paragraph 13 of Part 3 – Section 5 Overview and Scrutiny Procedure Rules in the Council's Constitution: [Cumberland Council Constitution](#)

### **EX.74/23 Apologies for absence**

Apologies for absence were submitted on behalf of Councillor B Kelly, Councillor A Quilter, the Director of Place, Sustainable Growth & Transport and the Director of Children & Family Wellbeing.

### **EX.75/23 Declarations of Interest**

There were no declarations of interest submitted.

### **EX.76/23 Exclusion of Press and Public**

RESOLVED – It was agreed that items in Part A be dealt with in the public and the items in private to be dealt with in Part B when the public and the press are excluded.

### **EX.77/23 Minutes of Previous Meeting**

RESOLVED – That the minutes of the meeting of the Executive held on 11 January 2024 be approved and signed by the Leader.

### **EX.78/23 Public Participation**

There were no questions, petitions or deputations submitted by members of the public.

### **EX.79/23 Executive Announcements**

There were no announcements from the Leader, Deputy Leaders and Members of the Executive.

### **EX.80/23 Motion referred from Council**

(Non Key Decision)

#### **Subject:**

Consideration was given to the following Motion, submitted in accordance with Council Procedure Rule 12, which had been referred to the Executive by Council at its meeting on 16 January 2024:

#### **Motion on Plastic Free Cumberland**

Proposer: Cllr Brian Wernham

Seconder: Cllr Chris Wills

Council Notes:

The environmental impact of single-use plastics poses a significant threat to our community's well-being, wildlife, and ecosystems.

Plastics that end up in our oceans are having a catastrophic effect on marine life, sea birds and once degraded into micro plastics, contaminate the food chain including our own.

The existing good work which has been done by our predecessor authorities to reduce the amount of single use plastics in use.

Council recognises the importance of taking proactive measures to reduce plastic waste and promote sustainable practices.

Council ask the Executive: -

1. to undertake an audit of single-use plastics used by the Authority and seek to replace them with sustainable or reusable alternatives where practicable by the end of 2024;
2. to encourage staff and council members to adopt plastic-free practices in their daily activities;
3. to use its communications channels to raise public awareness about the dangers of single-use plastics;



4. collaborate with our public sector partners, local schools, business and community organisations to promote plastic-free practices;
5. recognise and celebrate businesses and individuals making significant efforts to reduce plastic usage;
6. to ask that the Climate and Nature Advisory Group be responsible for overseeing the implementation of the plastic-free initiative;
7. regularly assess and report on the progress of the plastic-free initiative to the Council and community.

The Executive debated the motion, noting that most of the asks were already being actioned across the authority. The Executive felt that the motion should be referred to the Climate and Nature Advisory Group who were preparing one policy for the Council and were best placed to action any of the matters not already being carried out and include any changes in the new policy.

The Adults and Community Health Portfolio Holder moved that the motion be referred to the Climate and Nature Advisory Group for consideration and inclusion in the work being carried out on the new Council Policy. The Lifelong Learning and Development Portfolio Holder seconded the motion.

**Alternative Options:** That no further action be undertaken

**DECISION:**

That the motion regarding Plastic Free Cumberland be referred to the Climate and Nature Advisory Group for consideration and inclusion in the work being carried out on the new Council Policy.

**Reason for decision:**

To respond to a Motion referred to the Executive by Council.

**EX.81/23 Budget 2024-25 and Medium-Term Financial Plan**

In accordance with Paragraph 14.1 of the Overview and Scrutiny Procedure Rules, the Chair of the Business and Resources Overview and Scrutiny Committee has agreed that call-in procedures should not be applied to this item.

(Key Decision)

**Portfolio:** Financial Planning and Assets

**Relevant Scrutiny:** Business and Resources Overview and Scrutiny

**Subject:**

The Financial Planning and Assets Portfolio Holder submitted the draft budget 2024 – 25 and medium term financial plan for Cumberland Council.

The Financial Planning and Assets Portfolio Holder reported that the budget was the first time that the Executive had the opportunity to fully shape the budget, having inherited the spending plans of the former local councils from 1 April 2023.

In the first months of operation, the Council had placed a focus on integrating the four councils and stabilising the organisation to ensure that its services continued to be delivered effectively for all of its communities. Along with local authorities across the country, the Council had been hit hard by inflation and rising demand for services resulting in the need for difficult decisions, including £37m of savings in 2024-25.

The Council had a well-developed Transformation Plan to maximise opportunities and discussions were taking place with the Department for Levelling Up Housing and Communities to continue the request for Exceptional Financial Support. In addition the Council would manage the increasing demands for services by addressing the need early through supporting people earlier, differently and by promoting independence.

The Financial Planning and Assets Portfolio Holder gave an overview of the consultation and the 536 responses received. Increasing the council tax was a difficult decision and the consultation showed that the majority of residents recognised how important it was to ensure the Council continued to deliver the essential services that many people relied on.

The Financial Planning and Assets Portfolio Holder reported that the net budget proposed, after service specific grants, fees and charges was £319m. To continue to provide the services that residents needed, the budget proposed a rise in its portion of council tax by 2.99%, with a further 2% rise for the Adult Social Care Levy. The Council also proposed a 100% council tax premium on second homes to double the bill from 1 April 2025 providing an estimated additional £4m per year to help fund services and tackle the affordable housing crisis.

The proposed Capital Programme outlined £257m in capital investment for the following two financial years. This would continue to be reviewed and further reports would be considered by the Executive.

The budget setting process had been incredibly challenging however, the Council was committed to putting health and wellbeing for its communities at the heart of everything it did.

The Financial Planning and Assets Portfolio Holder moved the recommendations as set out in the report.

The Executive thanked the Section 151 Officer and her team for their hard work and dedication in preparing the budget in difficult circumstances.

In seconding the recommendations the Leader reiterated that the Council had to make difficult decisions to address the financial situation and continue to provide services that were relied on by residents. He commented that the Transformation Plan was robust and achievable as long as Members and Officers had ownership of the Plan and their budgets.

The Deputy Leader (Statutory) stated that it was vital that Government recognised the power of local government and the impact it had on local communities. She drew attention to the Council's Council Tax Reduction Scheme which supported the most vulnerable in the community.

The Deputy Leader (Non Statutory) added that it was a once in a lifetime opportunity for the Council to engage with the public and shape its children and family services to provide early prevention, working with partners, to increase efficiency and maximise the use of resources.

The Lifelong Learning and Development Portfolio Holder acknowledged the increase in demand for children services adding that the Council was working on the issues through partnership working.

**Alternative Options:** The Council had a legal duty to set a balanced budget each year and the proposals fulfilled the requirement.

**DECISION:**

That the Executive approved the 2024-25 Budget for recommendation to Council for approval and adoption including: -

- The General Fund net revenue budget for 2024-25 of £319,014,005, as outlined in Appendices A to G
- Noted the position on Directorate budgets, and delegate any final amendments between Directorates to the Section 151.
- Approved the calculation of the Authority's Council Tax Base for the financial year 2024-25, including determining the appropriate council tax discounts, of 89,966.79.
- Approved the determination to introduce a second home Council Tax premium of up to 100% with effect from 1<sup>st</sup> April 2025, in accordance with the requirements of The Levelling up and Regeneration Act.
- Band D Council Tax in 2024-25 of £1,816.80 for Cumberland Council which represents an increase of 4.99% on Council Tax levied across the Cumberland area (2.99% increase in core council tax and 2% Adult Social Care precept)
- Delegated the approval of fees and charges to the S151, in consultation with the Finance and Assets Portfolio Holder, to ensure they are set in line with the approved fees and charges policy.
- The capital programme as set out in Appendix H
- Noted the consultation feedback on the budget as set out in Appendix I
- Noted the S25 statement of the Chief Finance Officer as set out in Section 12 and the risk-based assessment of the level of General Fund Balances

**Reason for decision:**

To produce the Executive's budget proposals for 2024/25 for recommendation to Cumberland Council.

**EX.82/23 Permission to Procure Food Vouchers for Families in receipt of Free School Meals During School Holidays**

(Key Decision)

**Portfolio:** Adults and Community Health

**Relevant Scrutiny:** People Overview and Scrutiny

**Subject:**

The Adults and Community Health Portfolio Holder submitted a report regarding the procurement and delegation to Award Framework or Contract for the purchase and distribution of Food Vouchers.

The report sought permission for a regulated procurement exercise for a provider of food vouchers for Families in receipt of Free School Meals for 3 years from 18 March 2024 to 17 March 2027, with an estimated maximum value of £12m, along with delegation to the Director of Public Health and Communities to appoint the provider.

The Adults and Community Health Portfolio Holder moved the recommendations, and the Leader seconded them.

**Alternative Options:** Not to procure the contract.

**DECISION:**

That the Executive agreed to:

- (1) Commence a regulated procurement exercise by running a mini-competition under the Crown Commercial Payment Solutions Framework (RM 6248) for a provider of food vouchers for Families in receipt of Free School Meals for 3 years with an estimated maximum value of £12m.
- (2) Delegate authority to the Director of Public Health and Communities to award the subsequent call off contract under the Framework to the successful provider.

**Reason for decision:**

To enable the Council to respond to changing need and demand and have a method to distribute funds to vulnerable children and families.

**EX.83/23 Draft Public Space Protection Order (PSPO) for Cumberland**

(Key Decision)

**Portfolio:** Sustainable, Resilient and Connected Places

**Relevant Scrutiny:** Place Overview and Scrutiny

**Subject:**

The Sustainable, Resilient and Connected Places Portfolio Holder submitted a report regarding the commencement of public consultation on a draft Public Space Protection Order (PSPO) for Cumberland.

The Sustainable, Resilient and Connected Places Portfolio Holder reported that PSPOs could be used to prohibit specified activities within a defined public area and were important tools in addressing anti-social behaviour.

The development of the draft PSPO had sought to be responsive to the needs of residents but it would be important to further test proposals with agreement now sought to undertake a public consultation on the draft order.

The Sustainable, Resilient and Connected Places Portfolio Holder moved the recommendations, and the Leader seconded them.

**Alternative Options:** Not to agree the PSPO for consultation.

**DECISION:**

That the Executive:

1. Reviewed the content of the report and draft PSPO included in Appendix 1 and agreed that public consultation on the draft PSPO can be undertaken; and
2. Agreed that finalisation of the consultation documents are delegated to the Director of Place, Sustainable Growth and Transport in consultation with the Monitoring Officer, Leader and Portfolio Holder.

**Reason for Decision:**

The Cumberland Plan was explicit in promoting the happiness, health and safety of its communities throughout their lives. In meeting this aim; it highlighted the leadership role of the Council and importance of working effectively with partners. The development and implementation of the PSPO would directly support the ambitions and ways of working.

**EX.84/23 Early Years Funding Formula 2024-25**

(Key Decision)

**Portfolio:** Lifelong Learning and Development, Children and Family Wellbeing

**Relevant Scrutiny:** People Overview and Scrutiny

**Subject:**

The Lifelong Learning and Development Portfolio Holder presented a report setting out the proposed arrangements for early years funding in 2024/25 and provided an update on the outcome of a recent consultation with early years providers.

The Lifelong Learning and Development Portfolio Holder reported that 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 Cumberland on the funding formula to be used to allocate the new entitlement funding to providers in 2024/25.

All early years providers in Cumberland were consulted on the proposed distribution of the new early years free entitlements and at its meeting on 15 January 2024 Cumberland Schools Forum recommended that the Executive, as the statutory decision maker on the formula through which funding was allocated to early years providers, should accept the recommendations set out in the report.

The Lifelong Learning and Development Portfolio Holder moved the recommendations, and the Leader seconded them

**Alternative Options:** Propose an alternative methodology to fund Early Years providers for the new 2 Year Olds and Under 2s entitlement.

**DECISION:**

That the Executive allocated the new 2 Year Olds and Under 2s funding in 2024/25 to early years providers in Cumberland, after taking into account the budget for centrally provided services and the SEN Inclusion Fund, by using a base rate of funding of £7.12 per hour for 2 Year Olds and £9.77 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.

**Reason for decision:**

The recommendation had been made by the Cumberland Schools Forum following a consultation with all affected schools and academies in Cumberland.

**EX.85/23 Cumberland Care Review**

(Key Decision)

**Portfolio:** Adults and Community Health

**Relevant Scrutiny:** People Overview and Scrutiny

**Subject:**

The Adults and Community Health Portfolio Holder submitted a report regarding the recommendations relating to the internal review of Cumberland Care services in-House Provision.

The report sought permission to implement elements of Phase 1 of a review into Cumberland Care. The first phase of the plan included recommendations relating to the future of Moot Lodge care home in Brampton.

Further phases of work had been identified as part of the wider review of Cumberland Care. Updates and further decisions in relation to those areas would be reported to Executive in line with the project plan and decision milestones.

The Adults and Community Health Portfolio Holder drew attention to the vision statement for Cumberland Care which stated: "We want every Cumberland resident to live better, healthier and more independent lives". The review of Cumberland Care services had included detailed consideration of the three Cumberland Care residential care homes in North Cumbria against the key priorities.

It was identified that Moot Lodge, although providing excellent care, could not be redeveloped to meet the priority areas for delivery. The building was old and could not be refurbished to a modern standard that would meet the vision statement. It was proposed that a public consultation exercise commence around the potential closure of Moot Lodge.

The Adults and Community Health Portfolio Holder had visited the facility and was impressed by the level of care provided but had seen the difficulties in the building. She encouraged

everyone in the Brampton area to respond to the consultation. The Adults and Community Health Portfolio Holder moved the recommendations.

In seconding the recommendations the Leader advised that he had also been impressed by the level of care provided at Moot Lodge and acknowledged that the building was no longer suitable.

**Alternative Options:** To continue delivering residential services at Moot Lodge without further investment; a full refurbishment of Moot Lodge.

#### **DECISION:**

That the Executive:

- (1) Noted and supported the strategic intention to re-shape residential provision delivered by Cumberland Care in order to re-focus on dementia care, intermediate care and respite services;
- (2) Approved the commencement of a public consultation on the potential closure of Moot Lodge residential care home in Brampton;

#### **Reason for decision:**

To ensure that care services delivered by Cumberland Care met the Council's strategic and financial objectives, including providing accessible and trusted services; listening, involving and engaging our communities and focusing services which support prevention and early intervention.

#### **EX.86/23 Permission to Procure - and Delegation to Directly Award Contract via Joint Commissioning of Cumbria's Integrated Sexual Health Service**

(Key Decision)

**Portfolio:** Adults and Community Health

**Relevant Scrutiny:** Health Overview and Scrutiny

#### **Subject:**

The Adults and Community Health Portfolio Holder submitted a report regarding permission to procure Cumberland's Integrated Sexual Health Service as a Cumbria-wide service for 4 years (plus two optional 12-month extensions). The recommendation was to jointly commission the service with Westmorland & Furness Council. Approval was required to allocate resources, to directly award the contracts to North Cumbria Integrated Care NHS Foundation Trust, to delegate subsequent award decision to Director of Public Health and Communities in consultation with the relevant portfolio holder, and to approve jointly commissioning with Westmorland & Furness Council with Westmorland & Furness Council acting as lead authority.

The Adults and Community Health Portfolio Holder moved the recommendation, and the Leader seconded it.

**Alternative Options:** Commission new arrangements jointly to commence on 1 October 2024 by tendering two separate lots reflecting the new local authority footprints; separately commission new arrangements to commence on 1 October 2024 as two independent services for each respective local authority, no joint arrangements.

## **DECISION:**

That the Executive

1. Approved permission to procure Cumberland's Integrated Sexual Health Service for a term of 4 years plus two optional 12-month extensions. Authorisation was requested to allocate resources to fund the service for a maximum term of 6 years at an estimated value of £6.624m based on 2023/24 contract values. The contract would commence on 1<sup>st</sup> October 2024.
2. Approved Cumberland Council to jointly commission the service with Westmorland & Furness Council via a Direct Award to North Cumbria Integrated Care NHS Foundation Trust (NCIC) under NHS Provider Selection Regime (PSR) Regulations. Westmorland & Furness Council had agreed to act as lead authority for the purposes of commissioning the service. The service would be Cumbria-wide under a single service specification, but each Council would hold its own contract to ensure appropriate protections for each authority. If approved, a joint commissioning agreement would be prepared between Cumberland and Westmorland & Furness Councils.
3. Granted permission that subsequent approval to award the contract and, agree the terms of and enter into the joint commissioning agreement with Westmorland and Furness Council, was delegated to Cumberland's Director of Public Health and Communities in consultation with the relevant portfolio holder.

### **Reason for decision:**

Public Health and Strategic Commissioning had reviewed a range of options related to the recommissioning of Cumbria's Integrated Sexual Health Service. To comply with PSR legislation, direct award to NCIC is recommended.

To provide stability in Cumbria and to provide optimal services to its population, it was recommended that Cumberland Council jointly commission the service with Westmorland & Furness Council

### **EX.87/23      Devolvement of Community Centre Grants to Community Panels**

(Key Decision)

**Portfolio:** Governance and Thriving Communities

**Relevant Scrutiny:** Place Overview and Scrutiny

### **Subject:**

The Adults and Community Health Portfolio Holder presented a report to devolve existing grant funding totals in relation to Community Centres to the Neighbourhood Investment Fund.

The report covered the devolvement of grant arrangements for 11 Community Centres in Carlisle Brampton and Longtown to their respective Community Panels. Historically the centres had received funding from the former Carlisle City Council and 9 of the 11 centres were in Cumberland Council ownership.

Cumberland Executive had the power to devolve funds to Community Panels which in this case would be Carlisle West, Petteril and Border, Fellside and North Carlisle Community Panels



The decision would better align grant provision to the Council Plan and values in relation to the following:

- the prosperity of our communities;
- accessible and trusted services;
- local economies that work for local people;
- local first; sustainability;
- collaborative working, and
- delivering excellent public services
- -

In addition there would be opportunities to more closely align community centre activity with the councils operating model and Community Network/Neighbourhood Investment Plan approaches.

The Adults and Community Health Portfolio Holder moved the recommendations and the Governance and Thriving Communities Portfolio Holder seconded them.

**Alternative Options:** The creation of elements ringfencing within the fund.

**DECISION:**

That the Executive agreed to devolve the existing Community Centre grant funding totals to the Neighbourhood Investment Funds under the management of the corresponding 3 Community Panels as follows:

Petteril	£80,400
Border, Fellside and North Carlisle	£59,700
Carlisle West	£45,100

**Reason for decision:**

The resolution puts the decision on onward funding of activity firmly in the hands of the local members through the Community Panels and offers the opportunity for Community Centres to be more integrated in Community Networks and Neighbourhood Investment Plan activity.

The meeting finished at 11.40 am

This page is intentionally left blank



## Report to Council

Meeting Date – 6 March 2024  
 Key Decision – No  
 Public/Private – Public

Portfolio – Cllr Southward, PH for Digital Connectivity and Customer Focus  
 Directorate – Business Change and Transformation  
 Report Author – Claire Gierth, Assistant Director of HR and OD

**Title – Pay Policy Statement 2024/25**

### Brief Summary:

The Localism Act 2011 requires Authorities to produce and publish a pay policy statement for Chief Officers and to review the policy on an annual basis. The Council’s Pay Policy Statement for 2024/25 is attached to this report for members’ approval (Appendix A).

### Recommendations:

That Council approves the 2024/25 Pay Policy Statement on Chief Officers’ pay.

### Tracking

Staffing Committee:	8 February 2024
Scrutiny:	N/A
Council:	6 March 2024

## **1. Background**

- 1.1. Sections 38 to 43 of the Localism Act 2011 introduced a requirement on all English and Welsh authorities to produce and review a pay policy statement for Chief Executives and Chief Officers on an annual basis.
- 1.2. The Pay Policy must set out the Council's policies in relation to:
  - 1.2.1. The remuneration of its Chief Officers;
  - 1.2.2. the remuneration of its lowest paid employees; and
  - 1.2.3. the relationship between -
    - 1.2.3.1. the remuneration of its Chief Officers; and
    - 1.2.3.2. the remuneration of its employees who are not Chief Officers.
- 1.3. It must also state the definition of 'lowest paid employees' along with the reasoning behind that definition. Policies in respect of Chief Officers must be included relating to:
  - 1.3.1. The levels and elements of remuneration;
  - 1.3.2. Remuneration on recruitment;
  - 1.3.3. Increases and additions to remuneration;
  - 1.3.4. The use of performance related pay;
  - 1.3.5. The use of bonuses; and
  - 1.3.6. The approach to any payments upon ceasing to hold office or being employed by the Council.
- 1.4. The pay policy must be approved annually by full Council, before 31<sup>st</sup> March, on the recommendation of Staffing Committee. The pay policy may be amended in year if necessary, subject to Council approval.

## **2. Proposals**

- 2.1. Appendix A attaches the policy which provides the latest pay details and relevant ratios between Chief Executive, Chief Officers and other employees.
- 2.2. Staffing Committee is responsible for recommending matters relating to pay and conditions to Council. Staffing Committee met on 8<sup>th</sup> February and approved the 2024/25 Pay Policy Statement for recommendation to Council on 1<sup>st</sup> March 2022.

## **3. Alternative options considered**

- 3.1. The Council is required to approve its pay policy.

#### **4. Conclusion and reasons for recommendations**

- 4.1. In accordance with its statutory responsibilities under the Localism Act 2011 it is recommended that Council approve the 2024/25 Pay Policy Statement on Chief Officers' pay.

#### **Implications:**

#### **Contribution to the Cumberland Plan Priorities**

#### **Relevant Risks and explain how risks can be mitigated -**

#### **Consultation / Engagement -**

**Legal** – As set out in the report, section 38 of the Localism Act 2011 requires the Council to publish each year a pay policy statement setting out its policies relating to:

- The remuneration of Chief Officers
- The remuneration of our lowest paid officers
- The relationship between the remuneration of the Chief Officers and employees that are not Chief Officers.

The Policy must state the Council's definition of 'lowest paid employees' together with its reasoning and has to explain:

- Chief Officer levels on appointment/progression and increases and additions
- Performance related pay
- Bonuses
- Payment on ceasing to hold office.

The Policy must be published in a manner deemed by the Council to be appropriate and this must include publication on the authority's website.

**Finance** – The costs of the Chief Officer's pay are contained within the Council's Revenue budget.

**Information Governance** – N/A

#### **Impact Assessments –**

Have you screened the decision for impacts using the Impact Assessment?

If you have not screened the decision using the Impact Assessment, please explain your reason – N/A

**Lead Officer Contact details:**

Name: Claire Gierth

Email: [claire.gierth@cumberland.gov.uk](mailto:claire.gierth@cumberland.gov.uk)

**Background papers:**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

Report to and minutes from Staffing Committee of 8 February 2024.

**Appendices attached to report:**

Appendix A: Chief Officers' Pay Policy Statement 2024/25

# Chief Officer Pay Policy Statement 2024/25

Version Control	Changes Made	Author
Version 1 –		HR/OD

## Introduction and purpose

Under section 112 of the Local Government Act 1972, local authorities have the power to appoint officers on such reasonable terms and conditions as the authority thinks fit. This Chief Officer Pay Policy Statement (the “statement”) sets out Cumberland Council’s pay policy for 2024/25 in accordance with the requirements of the Localism Act 2011 and will be considered for approval by full council in March 2024.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting pay of its employees (excluding teaching staff working in local authority schools) by identifying.

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior employees i.e., ‘chief officers’, as defined by the relevant legislation.
- The Committee or Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council.

Once approved by the full Council, the policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31<sup>st</sup> March each year.

## Definitions

**Chief Officer** refers to the following roles in Cumberland Council:

Table 1

Definition under the Localism Act 2011	Post Held at Cumberland Council	Post Tier and Level
The Head of Paid Service	Chief Executive Officer	Chief Executive
The Monitoring Officer	Chief Legal and Monitoring Officer	Tier 3, Level 2
Section 151 Officer	Chief Finance Officer (s151 Officer)	Tier 3, Level 1
Statutory Chief Officers	Director of Public Health & Communities	Tier 2, Level 1

	Director of Adult Social Care and Housing (DASS)	Tier 2, Level 1
	Director of Children and Family Wellbeing (DCS)	Tier 2, Level 1
Non-Statutory Officers	Assistant Chief Executive – Strategy, Policy and Performance	Tier 2, Level 2
	Director of Business Transformation and Change	Tier 2, Level 1
	Director of Place, Sustainable Growth and Transport	Tier 2, Level 1
	Director of Resources	Tier 2, Level 1

**Other senior leadership posts**, refers to all senior leadership roles at Tier 2 and 3 in the council that are not Chief Officer posts. The following table lists these roles:

**Table 2**

Post Level	Cumberland Council
Tier 3, Level 2	Assistant Director – Commissioning and Procurement Assistant Director – Programme Management Office Assistant Director – HR/OD Assistant Director – ICT Assistant Director – Corporate Assets and Fleet Assistant Director – Customer Solutions Assistant Director – Public Health and Public Protection Assistant Director – Highways and Transport Assistant Director – Thriving Place and Investment Assistant Director – Climate and Waste Assistant Director – Neighbourhoods Assistant Director – Operations (Adult Social care and Housing) Assistant Director – Service provision (Adult Social Care and Housing) Assistant Director – SEND, Education and Inclusion Assistant Director – Children and Families Assistant Director – Early Help and Prevention
Tier 3, Level 3	Assistant Director - Communities and Localities Assistant Director - Quality and Resources (Adult Social Care and Housing) Assistant Director – Quality and Safeguarding (Children and Family Wellbeing) Assistant Director – Communications Assistant Director – Strategy and Policy



**Tiers** refer to the reporting line for the role and **Levels** refers to the different size and level of the roles within Tier 3 for the senior leadership pay and grading structure.

## **Decisions on pay.**

The Council participates in the national pay bargaining arrangements using the national pay frameworks as the basis for its local pay structure, and the national pay review process to determine its annual increases.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery. The majority of Council employees are employed under national 'Green Book'/NJC for Local Government Services arrangements with some local variation of terms and conditions. The Council uses a 19 grade pay structure for these employees. The remaining numbers of employees are employed under national arrangements for other groups of local government staff.

Where national pay frameworks are either not adopted, or not specified e.g. for Chief Officers, the Council as an organisation makes the final decisions in determining the remuneration levels in accordance with the Council's constitution. Such determination takes into account the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who can make the Council an effective and efficient organisation that delivers the best possible services for the people of Cumberland Council within its available resources.

There may be occasions when it is difficult to resource posts within the council that it becomes necessary to take account of the external pay levels in the labour market. In these circumstances and to attract and retain employees with particular experience, skills and capacity, the Council where necessary will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Subject to approval and in accordance with the Council's Market Supplement scheme a market supplement to the salary scale for the grade may be considered.

There may also be occasions where it is necessary to engage the services of externally provided workers on a temporary basis within key posts. Such appointments exist where there is a specific skill shortage either within the Council, or difficultly to recruit from within the local labour market. Any such appointment requires the prior approval of the Director or for equivalent permanent 'chief officer' posts where delegated authority is required by the Staffing Committee.

To meet specific operational requirements, it may be necessary for an employee to temporarily take on additional duties to their identified role. Where these duties form either part or the whole of the duties of another job a Responsibility Allowance or Acting Up Allowance is payable respectively, reflecting the job evaluated rate for those additional duties.

Where it is intended to recognise exceptional effort or contribution a one-off lump sum payment, or Honoraria may be paid. Honoraria are paid in arrears and depending upon their value are subject to the approval of either the Director for the service area, or the Director – Business Transformation and Change, in accordance with the delegations from the Council’s Constitution.

## Grading and Pay Ranges

Grades and salary levels for the Chief Executive, Chief Officer and other Senior Leadership Posts are determined using the Korn Ferry Hay job evaluation methodology using external support from Korn Ferry (formerly Hay Group). Job evaluation is a consistent process used for determining relative size of jobs. It is based on a systematic analysis of the different factors found within all jobs.

At the point of recruitment to the position, pay will be set individually, based on the following components:

- The size of the job as determined by job evaluation.
- The benchmark data for the market and sector rate for the post
- The assessed quality of the applicant, including skills and experience balanced against candidate expectations.
- Scarcity of the required skills

## Senior Management (‘Chief Officer’) Remuneration

For the purposes of this statement, senior management means ‘chief officers’ as defined within the Localism Act. The posts falling within the statutory definition are set out as below, which details their basic salary as of 31 March 2024.

Position	Full Time Equivalent	Salary As at 31 March 2024
<b>Chief Executive Salary</b>		
Chief Executive	1	£177,942
<b>Chief Officer Salaries</b>		
Chief Finance Officer (s151 Officer)	1	£110,667
Chief Legal Officer (Monitoring Officer)	1	£93,072
Assistant Chief Executive – Strategy, Policy and Performance	1	£110,667
Director of Business Transformation and Change	1	£131,367
Director Of Resources	1	£131,367
Director of Public Health and Communities	1	£131,367
Director of Place, Sustainable Growth and Transport	1	£131,367

Director of Adults Social Care and Housing	1	£131,367
Director of Children and Family Wellbeing	1	£146,892
<b>Assistant Director Salaries</b>		
<b>Adults Social Care and Housing</b>		
Assistant Director – Operations	1	£93,072
Assistant Director – Service Provision	1	£93,072
Assistant Director – Quality and Resources	1	£77,547
<b>Children and Family Wellbeing</b>		
Assistant Director – SEND, Education and Inclusion	1	£103,422
Assistant Director – Children and Families	1	£96,000
Assistant Director – Early Help and Prevention	1	£103,422
Assistant Director – Quality and Safeguarding	1	£93,072
<b>Place, Sustainable Growth and Transport</b>		
Assistant Director - Highways and Transport	1	£93,072
Assistant Director – Thriving Place and Investment	1	£93,072
Assistant Director – Climate and Waste	1	£93,072
Assistant Director - Neighbourhoods	1	£93,072
<b>Public Health and Communities</b>		
Assistant Director – Communities and Localities	1	£79,055
Assistant Director – Public Health and Protection	1	£93,072
<b>Resources</b>		
Assistant Director – Corporate Assets and Fleet	1	£93,072
Assistant Director – Customer Solutions	1	£93,072
<b>Business Transformation and Change</b>		
Assistant Director – Commissioning and Procurement	1	£93,531
Assistant Director – Digital Innovation and ICT	1	£93,072
Assistant Director – Programme Management Office	1	£93,072
Assistant Director – HR and OD	1	£93,072
<b>Strategy, Policy and Performance</b>		
Assistant Director – Communications	1	£77,547
Assistant Director – Strategy and Policy	1	£77,547
<b>Deputy Statutory Chief Officers</b>		
Senior Manager – Legal & Democratic Services (Deputy Monitoring Officer)	1	£79,346
Senior Manager - Finance (Deputy s151 Officer)	1	£76,620

The Council will review market alignment every two years against the Korn Ferry national public sector market to support future pay decisions and minimise market supplements and pay drift.

## Other terms and conditions paid to ‘Chief Officers’

For the purposes of this statement policies relating to other terms and conditions paid, including the amounts applying to each member of the senior management team, are set out below.

Designation	Value	Rationale for payment
Hospitality	N/A	The Council does not apply any award for hospitality
Accommodation	Reimbursed in accordance with the Council's Travel & Subsistence Scheme.	Business expenses for hotel accommodation are only payable where return home is likely to be after 10pm. Accommodation will be pre booked and subject to the maximum allowance in accordance with the Council's Travel & Subsistence Scheme.
Car Mileage	45p per mile for 1 <sup>st</sup> 10,000 miles, 25p thereafter	Casual car mileage user rates apply in accordance with the Council's Travel & Subsistence Scheme and Rates.
Public Transport	Reimbursed in accordance with the Council's Travel & Subsistence Scheme	Travel via public transport for business reasons are reimbursed in accordance with the Council's Travel & Subsistence Scheme and Rates. Where practical and economically viable public transport is used.
Subsistence	Breakfast £6.50	Payable where an officer is required to leave home before 7.00am
	Lunch £8.80	Only payable in exceptional circumstances e.g. if the individual is unexpectedly delayed and/or needs to purchase food at a higher cost than that normally incurred
	Tea £3.45	Payable where an unusual absence (not part of the normal working conditions) from home and base continues beyond 18.30.
	Dinner £10.90	In exceptional circumstances where an unplanned absence (not part of normal working conditions) from home and base continues, beyond 20.30
Essential Car User Allowance	N/A	Employees within the Council are designated either Local Car Users or Casual Car Users and mileage is paid in accordance with HMRC guidelines.
Supplementary pay awarded to chief officers for undertaking the duties of Returning	N/A	The Council does not provide any supplementary payments, in addition to the salary as shown above for the posts of Section 151 Officer and Monitoring Officer.

<p>Officer/Section 151 Officer and Monitoring Officer</p>		<p>Returning Officer Fees: The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from their duties as an employee of the Council. The fee paid to the Returning officer for Cumberland Council or Parish Council elections, is included in their salary.</p> <p>The designated Returning Officer for the council also carries out the role of Returning Officer in Parliamentary elections, Police and Crime Commissioner elections and other national referenda. These additional roles carry an entitlement to payment from central government at levels set by order in relation to each national poll.</p>
<p>An increase in or enhancement to the Leadership Team pension entitlement</p>	<p>N/A</p>	<p>N/A</p>
<p>Other benefits in kind</p>	<p>N/A</p>	<p>N/A</p>
<p>Private Health care</p>	<p>N/A</p>	<p>N/A</p>
<p>Market forces supplements</p>	<p>N/A</p>	<p>N/A</p>
<p>Performance Related pay for Chief Officers</p>	<p>N/A</p>	<p>The Council does not provide performance related pay for chief officers</p>
<p>Bonuses for Chief Officers</p>	<p>N/A</p>	<p>The Council does not provide bonuses for chief officers</p>
<p>Final payments to Chief Officers when they leave the authority</p>	<p>In accordance with the Council's Redundancy and Early Release Policy</p>	<p>Please see the section below on 'Payments for Termination'.</p>

## Lower paid staff remuneration

The Council defines low paid workers as those on the lowest pay grade used by the Council for substantive roles. There are 2 generic job family profiles which fall into this category; BS1 and OP1. These profiles are at the lowest grade (Grade 1) of the Council's pay structure.

At the time of publication of 31 March 2024, the minimum pay for employees within this group is £22,366 per annum which is a ratio of 1:7.9 in comparison with the salary of the Chief Executive.

The UK Government introduced a 'National Living Wage' for employees aged 25 and over in April 2016 (it now applies to employees aged 23 and over). As at 31 March 2024 the rate is £10.42 per hour. The Council's minimum pay for all employees is higher than this amount and further exceeds it with the additional 'UK Living Wage' supplement that is paid.

The 'UK Living Wage' is set by the Living Wage Foundation. The current rate effective from 15 November 2023 is £12.00 per hour. This increases the minimum pay to £23,151 per annum, which is a ratio of 1:7.6 in comparison with the salary of the Chief Executive.

Below are further comparisons to illustrate the relationship of pay between the Chief Executive and other staff within the Council: -

- The median average full time equivalent salary of the whole workforce is £24,702 per annum, which in comparison with the salary of the Chief Executive is a ratio of 1:7.2.
- The mean average full time equivalent salary of the whole workforce is £25,824 per annum, which in comparison with the salary of the Chief Executive is a ratio of 1:6.8.

We continue to review these ratios where possible while recognising that this will be balanced by our obligations under the Equality Act of the need to maintain pay equity through an objective job evaluation scheme.

The Council employs Apprentices who are not considered within the definition of 'lowest paid employees.'

## **Recruitment of Senior Management ('Chief Officers')**

When recruiting to all posts the Council takes full and proper account of all provisions of relevant employment law and its own Recruitment policies and procedures.

The determination of the remuneration to be offered to any newly appointed Chief Executive, Director, or Statutory Officer is determined by the Staffing Committee which has delegated authority to act on behalf of Full Council not only to set the remuneration but to appoint to any such vacant posts (NB there are specific arrangements for the appointment of the Director of Public Health).

Salary levels for the Chief Executive, Directors, Assistant Directors and Statutory Officers are determined using the Hay job evaluation methodology using external support from Korn Ferry (formerly Hay Group), at the point of recruitment to the position and takes into consideration salary survey data provided by Korn Ferry.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider

engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process and in such circumstances the Council is not required to make either pension or national insurance contributions for such individuals. Where authority for appointment to the equivalent permanent role is delegated to the Staffing Committee, that Committee will approve all proposed interim appointments.

## **Pension Contributions**

Cumbria Local Government Pension Scheme is open to all employees, apart from teaching staff who have their own pension schemes.

Employees who are members of the Local Government Pension Scheme (LGPS) pay contributions from their salary dependent on earnings and the Council contributes on their behalf in accordance with the LGPS Regulations.

A number of employees have transferred to the Council under a specific staff transfer arrangement which allowed them to continue membership of the NHS pension scheme. Employees and the Council both make contributions in accordance with the regulations of the NHS scheme.

## **Payments on Termination**

The Council's Redundancy and Early Release Policy applies to all employees covered by the NJC for Local Government Services and to all other employees of the Council for whom there is no other specific redundancy and early release provisions, or policy and procedures laid down in national or local conditions of service. The Council may also exercise its discretion to enter into legally binding settlement agreements.

The Council does not normally re-employ employees who have received either a statutory or discretionary payment upon termination of employment. Any re-employment must be approved in accordance with the Redundancy and Early Release procedure. The Council will not normally engage such an individual under a contract for services.

## **Publication**

Upon approval by the full Council, this statement will be published on the Council's website.

The Council is also required to include information in the Annual Statement of Accounts in relation to the remuneration of higher paid officers of the Council. The information to be published is determined by Local Authority Accounting requirements, revised every year, underpinned by statutory regulations. The information required to be included in the audited Statement of Annual Accounts 2023-24 relates to three disclosures, which are termed 'Notes' as follows:-

- Figures for the number of officers whose remuneration was £50,000 or more, grouped in £5,000 bands (Banding Note)
- The individual remuneration of senior employees, which includes salary, fees, and allowances receivable. (Senior Employees Note)
- Exit packages agreed during the year, which includes termination benefits and all redundancy costs from both compulsory and voluntary redundancy costs (Exit Packages Note).

**Date:**





**Cumberland  
Council**

## Report to Council

Meeting Date 6 March 2024

Key Decision No

Public/Private Public

Portfolio Cllr Barbara Cannon, Executive Member - Financial Planning & Assets

Directorate Resources

Lead Officer Catherine Bell, Chief Finance Officer (s151 Officer)

**Title Treasury Management Strategy Statement, Annual Investment Strategy & Minimum Revenue Provision Policy Statement 2024-25**

### Summary:

This report, prepared in accordance with the statutory framework and codes of practice issued by CIPFA in relation to treasury management and capital finance, presents for approval by the Full Council, the Authority's proposed:

- Treasury Management Strategy Statement and Investment Strategy for 2024-25
- Minimum Revenue Provision Policy Statement for 2024-25
- Prudential and treasury indicators for 2024-25 to 2026-27.

### Recommendations:

It is recommended that Members approve:

- a) the proposed Treasury Management Strategy Statement & Investment Strategy for 2024-25 (included in sections 2 and 3 of Appendix 1)
- b) the MRP Policy Statement for 2024-25 set out in section 4 (of Appendix 1)
- c) the prudential and treasury indicators for 2024-25, 2025-26 and 2026-27, including the Authority's Authorised Borrowing Limit, set out in Section 5 (of Appendix 1).
- d) the revised prudential and treasury indicators for 2023-24 (set out in Section 5 of Appendix 1) which have been updated to reflect the changes made to the 2023-24 capital budget as part of the 2024-25 capital budget proposals.

## Tracking

Audit Committee:	22 February 2024
Scrutiny:	N/A
Council:	6 March 2024

### Reason for Recommendations:

Provisions contained in the Local Government Act 2003, statutory guidance issued by the Department for Levelling Up, Housing and Communities (DLUHC) and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) require the Authority to prepare and approve, before the start of each financial year:

- a Treasury Management Strategy Statement (TMSS) and Investment Strategy setting out its proposed treasury management activities for the year and policies for the prudent management of its investments
- a statement of its policy on making Minimum Revenue Provision (MRP) indicating how it is proposed to discharge the duty to make prudent MRP in the forthcoming financial year
- a set of prescribed prudential and treasury indicators for the forthcoming and following years - including the Authority's Authorised Borrowing Limit - demonstrating that its capital expenditure plans are affordable and that external borrowing is within prudent and sustainable levels.

## 1. Background and Introduction

1.1 Provisions contained in the Local Government Act 2003, statutory guidance and regulations issued by the Department for Levelling Up, Housing and Communities (DLUHC) and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), require the Authority to prepare and approve, before the start of each financial year:

- a Treasury Management Strategy Statement (TMSS) and Investment Strategy setting out its proposed treasury management activities for the year and policies for the prudent management of investments held for treasury management purposes
- a statement of its policy on making Minimum Revenue Provision (MRP) indicating how it is proposed to discharge the duty to make prudent MRP in the forthcoming financial year
- a set of prescribed prudential and treasury indicators for the forthcoming and following years - including the Authority's Authorised Borrowing Limit - demonstrating that its capital expenditure plans are affordable and that external borrowing is within prudent and sustainable levels.

1.2 This report, prepared in accordance with the statutory framework and codes of practice issued by CIPFA in relation to treasury management and capital finance, presents for approval by the Full Council, the Authority's proposed:

- Treasury Management Strategy Statement and Investment Strategy for 2024-25
- Minimum Revenue Provision Policy Statement for 2024-25
- Prudential and treasury indicators for 2024-25 to 2026-27
- revised indicators for 2023-24 which have been updated to reflect the changes made to the 2023-24 capital budget as part of the 2024-25 capital budget proposals.

1.3 The Authority's proposed Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision (MRP) policy for 2024-25 are set out in Appendix 1 to this report.

- 1.4 The statutory framework for treasury management and capital finance within local authorities is laid out in a series of legislations, statutory guidance and codes of practice, the key elements of which are:
- The CIPFA Prudential Code for Capital Finance in Local Authorities ('the Prudential Code') and
  - The Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes ('the Treasury Management Code') issued by CIPFA
  - statutory guidance issued by the Ministry of Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities) on:
    - Local Government Investments, and
    - the Minimum Revenue Provision.
- 1.5 For public sector organisations, the Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:
- “the management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.*
- 1.6 Consistent with the definition of treasury management set out in paragraph 1.5 above, the treasury management and investment strategies contained the Authority’s Treasury Management Strategy Statement and Investment Strategy are focused on borrowing and investments in financial instruments held for treasury management purposes (i.e. investments that arise from the Authority’s cash flows or treasury risk management activity and which ultimately represent balances that need to be invested until the cash is required for use in the course of business).
- 1.7 Investments in financial and non-financial assets (for example investment property, loans supporting service outcomes and investments in subsidiaries and joint ventures) made for commercial or service purposes, rather than for treasury management purposes, are dealt with in the Authority’s Capital Strategy.
- 1.8 To enable the Audit Committee to fulfil its responsibilities for ensuring effective scrutiny of the treasury management strategy and policies, the Authority’s Constitution and Treasury Management Practices (TMPs) require treasury management reports, including the report covering those matters listed in paragraph 1.2 above, to be submitted to the Audit Committee prior to their consideration by Full Council.

1.9 The following sections provide an overview and summary of the contents of the proposed TMSS, Investment Strategy and MRP policy statement included in Appendix 1 to this report.

## **2. Treasury Management Strategy Statement**

2.1 The Treasury Management Strategy Statement (TMSS) sets out the Authority's proposed treasury management activities for the year based on budget proposals, interest rate forecasts and economic outlook.

2.2 The issues covered in the Treasury Management Strategy Statement include:

- the current treasury position
- treasury indicators, required by CIPFA's Prudential and Treasury Management Codes, designed to limit the Authority's treasury risk exposures
- economic background and prospects for interest rates
- borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- policy on the use of derivatives
- the process adopted for reviewing and addressing the training needs of officers and members in relation to treasury management
- use of treasury management consultants including services provided and procedures employed for monitoring the quality of those services.

2.3 The Authority's Treasury Management Policy Statement set out in Appendix 2 highlights the successful identification, monitoring and control of risk as being the prime criteria by which the effectiveness of its treasury management activities will be measured. Risk management is therefore central to the Authority's adopted treasury management and investment strategies. The Authority's treasury activities expose it to a number of financial and operational risks including credit and counterparty risk, liquidity risk, and interest rate risk. The TMSS explains the principal means through which these risks will be managed.

### **3. Investment Strategy**

- 3.1 The Annual Investment Strategy for 2024-25, is set out in section 3 of Appendix 1. It outlines the Authority's policies for the prudent financial management of its treasury management investments and for giving priority first to the security of those investments (i.e. to protect the capital sum invested from loss) and secondly, to their liquidity (i.e. ensuring funds invested can be accessed to meet expenditure when needed).
- 3.2 The contents of the Authority's Investment Strategy follow the recommendations set out in the DLUHC (formerly MHCLG) Guidance on Local Government Investments (third edition) issued in February 2018 and the reporting principles set out in CIPFA's Treasury Management Code. It sets out:
- procedures for determining the counterparties with whom investments may be placed, including the Authority's approach on the use of credit ratings and other sources of information to assess credit and counterparty risk
  - the types of investment instruments that may be used
  - limits on the amount that may be invested with any single institution or group of institutions
  - limits on the maximum period for which funds may be prudently committed
  - reporting arrangements.

#### **Changes to the Strategy for 2024-25**

- 3.3 For 2024-25, the following minor changes have been made to the Authority's investment Strategy:
- (i). including alongside application of adding the creditworthiness service provided by the Authority's treasury advisors, the requirement for all approved investment counterparties to hold a minimum rating across all three main credit rating agencies of A- (or equivalent) - long-term, and A-1 (or equivalent) - short-term
  - (ii). placing an upper maturity period of 365 days on all (new) investments placed.

#### **4. Minimum revenue provision (MRP) policy statement 2024-25**

4.1 The Minimum Revenue Provision (MRP) is an annual amount required to be set aside from the General Fund to meet the capital cost of expenditure funded by borrowing or through credit arrangements such as on balance sheet PFI and leasing arrangements. The Authority's proposed MRP policy, setting out how it will discharge the duty under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) to make prudent MRP in the financial year, is set out in section 4 of Appendix 1. It includes:

- a description of what MRP is intended to achieve
- commentary on the Authority's underlying duty to make prudent provision and ensure that debt is repaid over a period commensurate with that over which the capital expenditure provides benefits, or - for historic borrowing originally supported by central government funding rolled into Revenue Support Grant - over the period implicit in the determination of that original grant funding
- consideration of the 'options' for calculating MRP outlined in the statutory guidance on MRP and the restrictions on their use
- the policy proposed for the forthcoming year.

4.2 Having regard to the statutory guidance on MRP issued by DLUHC (formerly MHCLG) and the 'options' for calculating MRP set out in that guidance, no changes to the existing method of calculating MRP are proposed. In 2024-25 the Authority will therefore continue to calculate MRP

- for all capital expenditure funded from borrowing incurred by sovereign councils prior to local government reorganisation on 1 April 2023, using the MRP policies applied by the Sovereign Councils prior to reorganisation
- for all (unsupported) capital expenditure funded from borrowing expenditure incurred on or after 1 April 2023, by applying Option 3 - Asset life method - using either the equal instalments or annuity method.

4.3 The Authority's approach to calculating MRP in 2024-25 is summarised in table 1 below.

**Table 1: Methodology for charging MRP in 2024-25**

Unfinanced capital expenditure incurred by:	Method of calculation	
	Supported capital expenditure incurred before 1 April 2008	Supported & unsupported capital expenditure incurred after 1 April 2008,
Allerdale Borough Council	<b>Option 2</b> - CFR method - 4% of Capital Financing Requirement at the end of the preceding financial year	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method
Carlisle City Council	N/A [CFR attributable to pre 2008 expenditure calculated as £nil/£negative]	3% of opening CFR net of Adjustment A (calculated in accordance with the formula set out in the Statutory Guidance). For 2024-25 the calculated MRP also includes a reduction of £241k in respect of a prior year overpayment of MRP following a change in MRP policy in 2017-18.
Copeland Borough Council	<b>Option 2</b> - CFR method - 4% of Capital Financing Requirement at the end of the preceding financial year.	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method
Cumbria County Council	2% straight line basis, net of Adjustment A. 2% calculated on CFR at 31.3.16 (net of Adjustment A) plus 2% of the reduction in MRP taken between 2017-18 to 2020-21 following change in MRP policy in 2016-17.	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method
Cumberland Council	N/A	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method

- 4.4 For credit arrangements, such as on balance sheet PFI and leasing arrangements, MRP will be calculated in line with statutory guidance by charging as MRP an amount equal to the element of the rent/charge that goes to write down the balance sheet liability.
- 4.5 A full review of the current MRP policy will be undertaken during 2024-25 following the publication of the Sovereign Councils' (audited) financial statements for the year ending 31 March 2023 and the completion of all outstanding balance sheet disaggregation work associated with local government reorganisation. The aim of this review will be to replace the existing hybrid policy with a single harmonised policy consistent with the requirements of the Statutory Guidance Authority. Details of proposed changes to the Authority's MRP policy, following conclusion of this review, will be presented to the Audit Committee and Full Council for approval prior to implementation.



4.6 The review of the Authority's MRP policy will also take into consideration the outcome of the consultation on changes to statutory guidance and regulations in relation to the Minimum Revenue Provision launched by DLUHC in December 2023. Feedback from this consultation is expected in March 2024.

## **5. Prudential & Treasury Indicators**

5.1 The Prudential Code for Capital Finance in Local Authorities requires local authorities to self-regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans, by setting estimates and limits and by publishing actuals for a range of prudential indicators. It also requires them to ensure their treasury management practices are in accordance with good practice and demonstrate a full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

5.2 The prudential and treasury indicators for the forthcoming and following years must be set before the beginning of the forthcoming year. They may be revised at any time, following due process, and must be reviewed, and revised if appropriate, for the current year when the prudential indicators are set for the following year.

5.3 The Authority's prudential and treasury indicators for 2024-25 and following years along with revised indicators for 2023-24, are set out in section 5 of Appendix 1. They include:

- indicators required by the Prudential Code, covering affordability, prudence, capital expenditure, external debt and treasury management. These include the statutory limit on borrowing determined under section 3 of the Local Government Act 2003 (the Authorised Limit for External Debt)
- indicators required by the sector guidance accompanying the Treasury Management Code to ensure the Authority operates its treasury activities within defined limits.

## **6. Alternative options considered**

6.1 Not applicable to this decision/report.

## 7. Conclusion and reasons for recommendations

7.1 It is recommended that Members approve:

- a) the proposed Treasury Management Strategy Statement & Investment Strategy for 2024-25 (included in sections 2 and 3 of Appendix 1)
- b) the MRP Policy Statement for 2024-25 set out in section 4 (of Appendix 1)
- c) the prudential and treasury indicators for 2024-25, 2025-26 and 2026-27, including the Authority's Authorised Borrowing Limit, set out in Section 5 (of Appendix 1).
- d) the revised prudential and treasury indicators for 2023-24 (set out in Section 5 of Appendix 1) which have been updated to reflect the changes made to the 2023-24 capital budget as part of the 2024-25 capital budget proposals.

## 8. Implications

**Contribution to the Cumberland Plan Priorities** - Effective treasury management and compliance with the Prudential Code will provide support towards the achievement of the Council's business and service objectives.

**Relevant Risks** - The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Risk implications associated with the Authority's treasury activity is considered in Appendix 1 to this report.

**Consultation / Engagement** - Not applicable to this decision/report.

**Legal and governance implications** - Provisions contained in the Local Government Act 2003, statutory guidance issued by the Department for Levelling Up, Housing and Communities and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) require the Authority to prepare and approve, before the start of each financial year:

- a Treasury Management Strategy Statement (TMSS) and Investment Strategy setting out its proposed treasury management activities for the year and policies for the prudent management of its investments
- a statement of its policy on making Minimum Revenue Provision (MRP) indicating how it is proposed to discharge the duty to make prudent MRP in the forthcoming financial year
- a set of prescribed prudential and treasury indicators for the forthcoming and following years - including the Authority's statutory limit on borrowing determined under section 3 of the Local Government Act 2003 (the Authorised Limit for External Debt) -

demonstrating that its capital expenditure plans are affordable and that external borrowing is within prudent and sustainable levels.

**Finance** – The Prudential and Treasury management indicators set out in Appendix 1 form a key element in demonstrating the affordability, prudence and sustainability of the Authority’s capital expenditure and borrowing plans.

**Impact Assessments** - Not applicable to this decision/report.

**9. Contact details:**

Contact Officer: Barry Lennox, Senior Manager - Finance

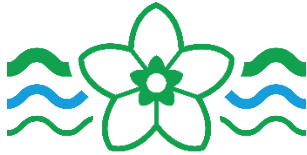
Email: barry.lennox@cumberland.gov.uk

**10. Appendices attached to this report:**

Appendix	Title of Appendix
1	Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Policy Statement - 2024-25
2	Treasury Management Policy Statement

**11. Background papers - None**

This page is intentionally left blank



**Cumberland  
Council**

# **Treasury Management Strategy Statement & Investment Strategy**

## **Minimum Revenue Provision Policy**

**2024-2025**

THIS PAGE IS INTENTIONALLY LEFT BLANK

## Contents

<b>1. Introduction</b>	2
1.1 Background	2
1.2 Reporting requirements	4
<b>2. Treasury Management Strategy Statement (TMSS)</b>	6
2.1 Current treasury position	6
2.2 Treasury Indicators: limits on borrowing & investing activity	7
2.3 Prospects for interest rates	8
2.4 Borrowing strategy	13
2.5 Policy on borrowing in advance of need	14
2.6 Debt rescheduling	16
2.7 Policy on the use of derivatives	17
2.8 Training	17
2.9 Treasury management advisors	18
<b>3. Annual Investment Strategy</b>	19
3.1 Investment policy - objectives	19
3.2 Creditworthiness policy (credit risk management)	19
3.3 Approved investment counterparties	20
3.4 Approved instruments	22
3.5 Limits on principal sums invested	24
3.6 Limits on investment maturities	26
3.7 Reporting arrangements	27
<b>4. Minimum revenue provision (MRP) policy statement</b>	28
4.1 Introduction	28
4.2 Options for making prudent provision	29
4.3 MRP Policy adopted for 2024-25	31
<b>5. Prudential &amp; treasury Indicators 2024-25 to 2026-27</b>	32
5.1 Indicators required by the Prudential Code	32
5.2 Indicators required by the Treasury Management Code	40
<b>6. Appendices</b>	44
A. Interest Rate Forecasts 2024-2027	45
B. Economic Background	46
C. Short & Long term credit ratings	57
D. Public Works Loan Board (PWLB) lending arrangements	58

## 1. Introduction

### 1.1 Background

- 1.1.1 For public sector organisations, the Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as “the management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks”.
- 1.1.2 This definition expects a ‘best value’ approach in which authorities should seek to minimise the cost of borrowing (or maximise the returns from investment), subject to the over-riding management of risks, with risk limitation being more important than return (yield).
- 1.1.3 The statutory framework for treasury management and capital finance within local authorities (the Prudential Framework) is laid out in a series of legislations, statutory guidance and codes of practice, the key elements of which are:
- The Local Government Act 2003 - (‘the 2003 Act’)
  - The Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 (as amended) - (‘the 2003 Regulations’)
  - Department for Levelling Up, Housing & Communities (DLUHC) (formerly the Ministry of Housing, Communities & Local Government (MHCLG)) Guidance on Local Government Investments - third edition (February 2018)
  - DLUHC guidance on Minimum Revenue Provision - fourth edition (February 2018)
  - The Prudential Code for Capital Finance in Local Authorities - 2021 Edition - (‘the Prudential Code’)
  - The Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2021 Edition - (‘the Treasury Management Code’).
- 1.1.4 Consistent with the definition of treasury management set out in paragraph 1.1.1 above, the treasury management and investment strategies contained in this document are focused on borrowing and investments in financial instruments held for treasury management purposes (i.e. investments that arise from the Authority’s cash flows or treasury risk management activity and which ultimately represent balances that need to be invested until the cash is required for use in the course of business). Investments in financial



and non-financial assets (for example investment property, loans supporting service outcomes and investments in subsidiaries and joint ventures) made for commercial or service purposes, rather than for treasury management purposes, are dealt with in the Authority's Capital Strategy.

- 1.1.5 Investments for commercial purposes (or commercial investments) represent those taken or held primarily for financial return (previously known as investment assets bought primarily for yield) and are not linked to treasury management activity or directly form part of delivering services. This includes investments in non-financial assets such as commercial property, where they are held primarily for financial return. Investments of this type will usually constitute capital expenditure under the 2003 Act. 'Commercial' in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily in order to generate net financial return or profit.
- 1.1.6 Investments for service purposes (or service investments) are those taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services. Service investments may or may not involve financial returns. However, obtaining those returns will not be the primary purpose of the investment. Service investments will normally constitute capital expenditure under the 2003 Act.
- 1.1.7 The latest versions of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) and Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Treasury Management Code) were issued by the Chartered Institute of Public Finance and Accountancy in December 2021. The 2021 editions replace the 2017 versions of the Codes.
- 1.1.8 Substantive changes introduced by the 2021 edition of the Prudential Code included:
- strengthened provisions in relation to borrowing in advance of need in order to profit from additional sums borrowed with the relevant parts of the Code augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code. This recognises that commercial activity is part of regeneration but underlines that such transactions do not include debt-for yield as the

primary purpose of the investment or represent an unnecessary risk to public funds.

- the inclusion of proportionality as an objective of the Prudential Code and the addition of a requirement to carry out an assessment to ensure risks associated with service and commercial investments are proportionate to an authority's financial capacity – i.e. that plausible losses could be absorbed in existing budgets or usable reserves without unmanageable detriment to local services
- a new requirement for capital strategies to report investments under the following headings: service, treasury management and commercial investments
- a requirement to monitor Prudential Indicators on a quarterly basis.

1.1.9 The main changes introduced by the updated Treasury Management Code (2021 Edition) and the accompanying guidance for local authorities included:

- the inclusion of Investment Management Practices and other recommendations relating to non-treasury investments within the Treasury Management Practices (TMPs) alongside existing TMPs.
- the recommended introduction of the Liability Benchmark as a treasury management indicator for local government bodies
- incorporation of Environmental, Social and Governance (ESG) risks into TMP1 (Risk Management)
- a requirement for the purpose and objective of each category of investments to be described within the Treasury Management Strategy.

1.1.10 With the exception of the new prudential and treasury management indicators for net income from service and commercial investments and the liability benchmark, the Treasury Management and Investment Strategies for 2024-25 satisfy all core principles of the revised Codes.

## 1.2 Reporting requirements

1.2.1 Provisions contained in the Local Government Act 2003, statutory guidance and regulations issued by the Department for Levelling Up, Housing & Communities (DLUHC) (formerly the Ministry of Housing, Communities & Local Government (MHCLG)) and Codes of Practice issued by CIPFA in relation to treasury management and capital finance, require local authorities to prepare and approve, before the start of each financial year:

- a Treasury Management Strategy Statement (TMSS) and Investment Strategy setting out its proposed treasury management activities for the year and policies for the prudent management of its investments

- a statement of its policy on making Minimum Revenue Provision (MRP) indicating how, in the forthcoming financial year, the duty to make prudent MRP will be discharged
- a set of prescribed prudential and treasury indicators for the forthcoming and following years - including the Authority's Authorised Borrowing Limit - demonstrating that its capital expenditure plans are affordable and proportionate and that external borrowing is within prudent and sustainable levels.

1.2.2 The Treasury Management Code also requires authorities to ensure the Full Council receives:

- a mid-year report providing:
  - an update on the economic environment and interest rate forecasts underlying the adopted strategies
  - details of variations (if any) from agreed policies/practices contained in the approved Treasury Management and Investment Strategies
  - details of investing and borrowing activities undertaken
  - confirmation of compliance with treasury and prudential indicators
- after the year-end, an annual report on the performance of the treasury management function, the effects of the decisions taken and the transactions executed in the past year and on any circumstances of non-compliance with the Authority's Treasury Management Policy Statement and TMPs.

1.2.3 This document, prepared in accordance with the statutory framework and codes of practice referred to above, sets out the Authority's:

- Treasury Management Strategy Statement (TMSS) and Investment Strategy for 2024-25
- Minimum Revenue Provision (MRP) Policy Statement for 2024-25
- Prudential and treasury indicators for the three year period 2024-25 to 2026-27, alongside revised indicators for 2023-24.

1.2.4 The TMSS and Investment Strategy, MRP policy and the prudential and treasury indicators, must be approved by Full Council prior to the commencement of the financial year to which they relate.

1.2.5 To enable the Audit Committee to fulfil its responsibilities for ensuring effective scrutiny of treasury management strategy and policies, the Authority’s Treasury Management Practices (TMPs) require treasury management reports, including this report, to be submitted to the Audit Committee prior to their consideration by Full Council.

## **2. Treasury Management Strategy Statement**

### **2.1 Current treasury position**

2.1.1 The Authority’s treasury portfolio position at 31 December 2023 is summarised in table 1. Table 1 also shows a comparison of the Authority’s actual external debt (borrowing) position with the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

**Table 1: Investment and borrowing**

	<b>At 31 Dec 2023 £000</b>	<b>At 30 Sept 2023 £000</b>	<b>At 1 April 2023 £000</b>
<b>Investments</b>			
Specified Investments:			
Call & notice accounts	9,353	13,263	5,539
Fixed Term accounts	80,000	85,000	62,500
Money Market Funds	39,885	49,285	20,115
Non-specified investments:			
CCLA Property Investment Fund	3,000	3,000	3,000
Equities	1	1	1
<b>Total investments</b>	<b>132,239</b>	<b>150,549</b>	<b>91,155</b>
<b>Borrowing</b>			
PWLB	237,868	237,916	244,207
LOBO Loans	16,000	16,000	16,000
Other borrowing	98	98	98
Other long-term liabilities (PFI & Leases)	94,278	94,914	95,936
<b>Total (gross) debt</b>	<b>348,244</b>	<b>348,928</b>	<b>356,241</b>
<b>Capital Financing Requirement</b>	<b>425,906</b>	<b>426,643</b>	<b>433,256</b>
<b>(Under)/Over borrowing</b>	<b>(77,662)</b>	<b>(77,715)</b>	<b>(77,015)</b>

2.1.2 At 31 December 2023 the Authority’s PWLB loan portfolio consisted of fixed rate:

- maturity loans totalling £219.0m (1 April 2023: £224.7m)
- annuity loans of £1.158m (1 April 2023: £1.261m)
- EIP loans of £17.710m (1 April 2023: £18.246m).

- 2.1.3 Interest rates applying to individual loans within the Authority's PWLB loan portfolio range from 1.21% to 9.5%. At 31 December 2023 the weighted average rate of interest payable on the Authority's PWLB loan portfolio stood at 3.62% (1 April 2023: 3.67%).
- 2.1.4 At 31 December 2023 the weighted average life of the Authority's PWLB loan portfolio and weighted average time to maturity was approximately 25 years.
- 2.1.5 At 31 December 2023 the Authority had two Lender Option Borrower Option (LOBO) loans of £11m and £5m. The interest rates on these loans are 4.45% and 7.55%. The loans had remaining contractual terms of 19 and 18 years respectively.
- 2.1.6 At 31 December the weighted average interest rate on the Authority's loan portfolio as whole was 3.73 % (PWLB: 3.62% other loans 5.39%).

## **2.2 Treasury Indicators: limits on borrowing and lending activity**

- 2.2.1 The Local Government Act 2003 requires a local authority to create and keep under review, limits on how much money it can afford to borrow by way of loans and other forms of credit (for example finance leases). The processes authorities must follow in setting these limits (the 'Authorised Limit for external debt') are set out in the Prudential Code which authorities must 'have regard to'. An authority is free to vary its affordable borrowing limit, subject to approval by Full Council, provided there is good reason for doing so. However, breach of the Affordable Borrowing Limit is prohibited by the 2003 Act and any borrowing above the affordable borrowing limit is ultra-vires.
- 2.2.2 In addition to the Authorised Limit, the Prudential and Treasury Management Codes and accompanying sector guidance, include a number of other key treasury management indicators designed to ensure the Authority operates its treasury activities within well-defined limits. These include:
- setting an operational boundary for external debt based on the expectations of the most likely maximum external debt for the year and reflecting the authority's plans for capital expenditure, estimated capital financing requirement (CFR) and cash flow requirements for the year for all purposes
  - ensuring that gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for current and the following two financial years.
  - placing upper limits on long-term treasury management investments

- placing upper and lower limits on the maturity structure of its borrowing.

2.2.3 Details of the Authority’s prudential and treasury indicators are set out in section 5.

## 2.3 Prospects for interest rates

2.3.1 The Authority has appointed Link Group (Link Treasury Services) as its treasury advisor. Part of the service provided by Link is to assist the Authority to formulate a view on interest rates. Link Group issued its latest interest rate forecasts on 8 January 2024. These latest forecasts, set out in Table 1 alongside the previous forecast (issued 7 November 2023) included in the 2023-24 Mid-year Treasury Review, take into account the Bank of England’s November Monetary Policy Report and the decisions and forward guidance issued by the Bank’s Monetary Policy Committee at its meetings on 1 November 2023 and 14 December 2023.

2.3.2 The view set out in the latest forecast is for short, medium and long-dated interest rates to remain elevated over the near term as the Bank of England seeks to squeeze inflation out of the economy. However, the overall longer run trend is for gilt yields and PWLB rates to fall back over the forecast period as inflation falls.

**Table 2: Forecast interest rates 2024-2027**

Quarter ending	Bank Rate %		PWLB Borrowing Rates <sup>1</sup>							
			5 year %		10 year %		25 year %		50 year %	
	23-24 Mid-Yr	TMSS	23-24 Mid-Yr	TMSS	23-24 Mid-Yr	TMSS	23-24 Mid-Yr	TMSS	23-24 Mid-Yr	TMSS
actual 31.1.24	-	5.25	-	4.59	-	4.73	-	5.29	-	5.08
Mar-24	5.25	5.25	4.90	4.50	5.00	4.70	5.30	5.20	5.10	5.00
Jun-24	5.25	5.25	4.80	4.40	4.80	4.50	5.10	5.10	4.90	4.90
Sep-24	5.00	4.75	4.70	4.30	4.70	4.40	4.90	4.90	4.70	4.70
Dec-24	4.50	4.25	4.40	4.20	4.40	4.30	4.70	4.80	4.50	4.60
Mar-25	4.00	3.75	4.20	4.10	4.20	4.20	4.50	4.60	4.30	4.40
Jun-25	3.50	3.25	4.00	4.00	4.00	4.10	4.30	4.40	4.10	4.20
Sep-25	3.25	3.00	3.80	3.80	3.80	4.00	4.20	4.30	4.00	4.10
Dec-25	3.00	3.00	3.70	3.70	3.70	3.90	4.10	4.20	3.90	4.00
Mar-26	3.00	3.00	3.60	3.60	3.70	3.80	4.10	4.20	3.90	4.00
Jun-26	3.00	3.00	3.50	3.60	3.60	3.70	4.00	4.10	3.80	3.90
Sep-26	3.00	3.00	3.50	3.50	3.60	3.70	4.00	4.10	3.80	3.90
Dec-26	3.00	3.00	3.50	3.50	3.50	3.70	4.00	4.10	3.80	3.90
Mar-27	-	3.00	-	3.50	-	3.70	-	4.10	-	3.90

<sup>1</sup>Certainty rates are calculated by subtracting 0.2% from the standard new loan rates.

### **Bank Rate**

- 2.3.3 The UK Bank Rate started 2023-24 at 4.25%. Subsequent increases during the first half of 2023-24 saw the rate rise to 4.5% in May, 5.00% in June and to a 15-year high of 5.25% in August as the Bank of England continued with its efforts to combat ongoing inflationary pressures.
- 2.3.4 After 14 consecutive increases starting in December 2021 the Bank of England's Monetary Policy Committee kept rates on hold in September, November and December 2023. Following the MPC's decision to keep rates on hold for a third consecutive time at its December meeting, the latest forecast now anticipates the MPC will keep the Bank Rate at 5.25% until at least the second half of 2024 to combat on-going inflation and wage-growth pressures.
- 2.3.5 The first cut in the Bank rate is currently forecast to occur Q3 (July to September) 2024, but, as always, any decision by the MPC to reduce the Bank Rate will be driven by the economic data. The paths for policy rates implied by financial markets suggest rates are at or near their peaks in the UK, US and euro area. However, although the Bank Rate is not currently expected to rise above 5.25% the timing of the first cut may not materialise until the latter stages of 2024. In the current forecast the Bank Rate is expected to fall to 4.25% by the end of 2024 and to 3% by the end of 2025. The low point of the interest cycle is also expected to be 3%.
- 2.3.6 In the November Monetary Policy Report, CPI inflation was expected to continue to fall rapidly in the near-term returning the Bank of England's 2% target by the end of 2025. Meanwhile wage growth was expected to remain elevated in the near-term before falling back in 2024. There does however remain considerable uncertainty around the pace at which CPI inflation will return sustainably to the 2% target with the balance of risks currently skewed to the upside. Among the current upside risks to inflation are energy prices - given events in the Middle East - and the underlying tightness of labour market conditions. In the Bank's most recent forecasts CPI inflation is projected to fall temporarily to the 2% target in 2024 Q2 before increasing again in Q3 and Q4 to around 2.75% by the end of this year. It then remains above target over nearly all of the remainder of the forecast period, falling to around 2.3% in 2026 Q1 2026 and 1.9% in 2027 Q1.
- 2.3.7 For the MPC the timing of any rate cuts remains one of fine judgment; cut too soon and inflationary pressures may well build up further, cut too late and any downturn or recession may be prolonged.

2.3.8 In the upcoming months, interest rate forecasts will be guided by economic data releases, and by clarifications from the MPC over its monetary policies and from the Government over its fiscal policies. Future forecast will also be guided by international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

### **Bond Yields and PWLB Rates**

2.3.9 The forecast borrowing rates shown in table 2 are based on the PWLB Certainty Rate (standard new loan rate minus 20 basis points) which has been accessible to most authorities since 2012.

2.3.10 Whilst gilt yields and PWLB rates are expected to remain elevated in the near-term as the Bank of England seeks to squeeze inflation out of the economy, the overall longer-run trend is for gilt yields and PWLB rates to fall back over the forecast period as inflation falls through 2024.

2.3.11 It is however acknowledged that, in the short-term, geo-political events, sovereign debt issues, emerging market developments and sharp changes in investor sentiment could contribute to short-term volatility in financial markets and borrowing rates.

2.3.12 Since the start of the current financial year (2023-24) there has been significant volatility in gilt yields and hence PWLB rates. The general situation is for this volatility and unpredictability in gilt yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds.

2.3.13 PWLB rates are offered at a fixed margin above the Government’s cost of borrowing, as measured by gilt (UK Government bond) yields. The main influences on gilt yields are the bank rate, inflation expectations and movements in US treasury yields. Therefore while monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact of US treasury yields on UK gilt yields.



- 2.3.14 As the US financial markets are, by far, the biggest financial markets in the world, any trend in treasury yields will invariably impact and influence financial markets in other countries. Although UK gilt yields and US treasury yields do not always move in unison, since 2011 there has, on average, been a 75% correlation between movements in 10-year US treasury yields and 10-year UK gilt yields.
- 2.3.15 What happens outside of the UK therefore remains critical to the movement in gilt yields, although arguably it is US monetary policies that will have the greatest impact on global bond markets. The European Central Bank (ECB) has made it clear that policy tightening is at, or close to, the terminal rate (currently 4%), whilst the US Federal Open Market Committee (FOMC) held its Bank Rate equivalent in the range of 5.25% - 5.5% for a third consecutive time in December but indicated 75bps cuts in 2024, reflecting policymakers' dual focus on returning inflation to the 2% target while avoiding excessive monetary tightening. US policymakers emphasised that the extent of any additional policy tightening would consider the cumulative impact of previous interest rate hikes, the time lags associated with how monetary policy influences economic activity and inflation, and developments in both the economy and financial markets. Markets currently expect both the ECB and the US Federal Reserve to start cutting rates in 2024.
- 2.3.16 Movement in the short part of the curve is expected to be driven to a large degree by Bank Rate expectations, whilst medium to longer-dated PWLB rates will remain influenced not only by the outlook for inflation, but also by the market's appetite for significant gilt issuance.
- 2.3.17 There is also the small matter of a General Election coming into sight on the horizon. This may prompt a loosening of Government fiscal policy at the same time as the Bank's monetary policy is still trying to take momentum out of the economy. This could result in the Bank Rate staying elevated for a little longer than currently forecast.
- 2.3.18 The PWLB (certainty) rate forecasts included in table 2 are based around a balance of risks. Key downside risks to current forecasts for UK gilt yields and PWLB rates include:
- labour and supply shortages proving more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus could keep gilt yields high for longer)
  - the pace and strength of the Bank of England's monetary policy action over recent months proving to be too quick or too far and subsequently

brings about a deeper and longer UK recession than currently anticipated

- UK/EU trade arrangements having a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues
- geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, leading to increased safe haven flows.

2.3.19 Meanwhile, potential upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer-term PWLB rates, include:

- the pace and strength of recent increases in the Bank Rate, by the Bank of England proves too timid, allowing inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates the Bank Rate staying higher for longer than currently expected
- sterling weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt
- longer-term US treasury yields rise strongly and push gilt yields up higher as a consequence of inflation in the US remaining more stubborn than the market currently anticipates
- projected gilt issuance, inclusive of natural maturities and quantitative tightening, prove to be too much for the markets to comfortably digest without higher yields compensating.

2.3.20 At present, the balance of risks to economic growth in the UK is even.

### **Investment rates**

2.3.21 The upturn in investment rates experienced during 2022-23 continued during the first half of 2023-24, with overnight rates increasing by around 100 basis points (bps) consistent with the 100bps increase in the Bank Rate between April and September 2023. The Sterling Overnight Index Average (SONIA) overnight and one-month term rates (forward- looking rates), which opened the year at around 4.18% and 4.17%, closed the first half of 2023-24 at 5.19% and 5.20% respectively. Meanwhile the three-month rate rose from 4.30% to 5.29% between April and September 2023. For longer maturities, the six-month and one year rates rose by 92 and 87 basis points to close at 5.39% and 5.45% respectively.

2.3.22 During Q3 (October to December) the MPC's decision to hold the Bank Rate at 5.25% saw the movement in the SONIA overnight and one-month term rates remain flat at 5.19% and 5.20% respectively. Meanwhile growing expectations of future cuts to policy rates saw maturities for longer maturities (i.e. 3-month, six-month and 12 month rates) fall by between 8 and 73 basis points over the 3 month period.

2.3.23 Although investment rates are expected to remain elevated in the near term the overall trend over the forecast period is for rates to reduce in line with the expected movements in the Bank Rate. Appendix A sets out forecast returns on investments for maturities on up to 12 months.

2.3.24 A more detailed commentary on the economic background underpinning current interest rate forecasts is included in Appendix B.

## **2.4 Borrowing strategy**

2.4.1 The Authority is currently maintaining an under-borrowed position (see table 1). This means the capital borrowing need (the Capital Financing Requirement - CFR) has not been fully funded with loan debt. By utilising cash supporting the Authority's reserves and favourable in-year cash flow, the Authority has been able to avoid the need to borrow up to the level of the CFR.

2.4.2 This has allowed the Authority to minimise borrowing costs and reduce treasury risk by reducing its external investment balances. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. The Authority will therefore seek to continue with this policy during 2024-25 to the extent permitted by its liquidity requirements and the effective management of its interest rate exposures.

2.4.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2024-25 treasury operations. Treasury staff will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in long and short-term rates, long-term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered
- if it was felt that there was a significant risk of a much sharper rise in long and short-term borrowing rates than currently forecast, the

portfolio position will be re-appraised with the likely action being that fixed rate funding will be drawn whilst interest rates are still lower than they are projected to be in the next few years.

- 2.4.4 Any decisions taken in this regard will be reported to members at the next available opportunity.
- 2.4.5 The Authority manages interest rate exposures through the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.
- 2.4.6 Interest rate cash flow risk associated with the Authority's short and long term borrowing (i.e. the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances), will be managed principally by borrowing at fixed rates.
- 2.4.7 Given the current pattern of interest rates and interest rate forecasts any new borrowing in 2023-24 and 2024-25 is expected to focus on borrowing over shorter terms (of up to say two years) whilst the market continues to wait for inflation, and therein gilt yields and PWLB rates, to drop back later in 2024 and beyond.
- 2.4.8 At the end of December 2023 PWLB loans accounted for 94% of the Authority's total debt (loan) portfolio with two Lender Option Borrower Option (LOBO) loans accounting for all but a small portion of the remaining total loan debt. Borrowing from the PWLB is expected to remain the primary source of any new borrowing drawn down in 2023-24 and 2024-25. However, short-dated fixed Local Authority to Local Authority monies may also be considered.

### **2.5 Policy on borrowing in advance of need (borrowing primarily for financial return)**

- 2.5.1 The Local Government Act 2003 allows local authorities to borrow or invest for "any purpose relevant to its functions, under any enactment", or "for the purpose of the prudent management of its financial affairs". This allows the temporary investment of funds borrowed for the purposes of expenditure in the near future.
- 2.5.2 The statutory investment guidance issued by DLUHC contains the statement that authorities "must not borrow more than, or in advance of its needs purely in order to profit from the investment of the extra sums borrowed". The

informal commentary to the investment guidance sets out the view held by Central Government that the statement covers borrowing taken on to fund the acquisition of non-financial as well as financial investments.

2.5.3 Legitimate examples of prudent borrowing under the Prudential Code include:

- financing capital expenditure primarily related to the delivery of a local authority's functions
- temporary management of cash flow within the context of a balanced budget
- securing affordability by removing exposure to future interest rate rises
- refinancing current borrowing, including adjusting levels of internal borrowing, to manage risk, reduce costs or reflect changing cash flow circumstances
- other treasury management activity that seeks to prudently manage treasury risks without borrowing primarily to invest for financial return.

2.5.4 In meeting the requirements of the Prudential Code and statutory investment guidance, the Authority will not borrow to invest primarily for financial return or (in respect of the requirements of the statutory guidance) borrow more than, or in advance of its needs purely in order to profit from the investment of the extra sums borrowed.

2.5.5 Investment or spending decisions that increase the Authority's capital financing requirement, and which may therefore lead to new borrowing, are not considered appropriate unless directly and primarily related to the functions of the Authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.

2.5.6 Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

2.5.7 Following the changes to the PWLBs lending terms, effective from 26 November 2020, the PWLB will no longer lend to local authorities that plan to buy commercial (investment) assets primarily for financial return. In order to

protect the Authority's ongoing access to the PWLB as a source of borrowing, the Authority will, in context of its Capital Strategy, only include in its capital programme capital expenditure on projects and schemes that have characteristics consistent with the PWLB's lending criteria. The Authority will not acquire commercial assets primarily for financial return.

## **2.6 Debt rescheduling**

- 2.6.1 Debt rescheduling includes the premature repayment of loans and the replacement of existing loans with new loans on different terms (repayment method, loan period, interest rate). The reasons for rescheduling include:
- aligning long-term cash flow projections and debt levels in order to redistribute the burden of debt financing costs between years of account
  - generating savings in risk adjusted interest costs
  - rebalancing the interest rate structure of the debt portfolio to reduce exposures to interest rate risk
  - changing the size and/or maturity profile of the debt portfolio to reduce refinancing risk exposures and/or align the debt maturity profile with the underlying need to borrow for capital purposes (the capital financing requirement).
- 2.6.2 The historic nature of the Authority's inherited PWLB loan portfolio and exclusive use of fixed rate loans means interest rates applying to individual loans within the Council's PWLB loan portfolio range from 1.21% to 9.5%. The weighted average interest rate on the PWLB loan portfolio at 31 December 2023 was 3.62%. Residual maturities on loans currently range from under one year to 45 years.
- 2.6.3 In the current interest rate environment rescheduling of the existing loan portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or where rebalancing of the portfolio to provide more certainty is considered appropriate.
- 2.6.4 During 2024-25, the Authority will continue to monitor interest rate structures for opportunities to reschedule debt in order to generate savings and/or rebalance risks within the loan portfolio. All rescheduling will be reported to the Audit Committee and Full Council at the earliest meeting following its action.

## 2.7 Policy on the use of derivatives

2.7.1 The Authority will only use derivatives for the management of risk and for the prudent management of its financial affairs. Transactions involving standalone derivative products such as forward rate agreements, interest rate swaps and options (interest rate caps, floors and collars) require authorisation by the Chief Finance Officer (s151 Officer) and will only be entered into:

- after seeking proper advice to ensure the product is fully understood, including how underlying risks are affected and the additional risks that may result from its use (for example credit exposure to derivative counterparties)
- after seeking confirmation that the Authority has legal power to enter into the transaction
- where use of the product can be shown to reduce the overall level of financial risks the Authority is exposed to (after taking into consideration additional risks that may result from use of the derivative instrument)
- after ensuring treasury staff have received training to ensure competent use of the product.

2.7.2 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria outlined in section 3 below. The current value of any amount due from a derivative counterparty will count against the counterparty limits set out in paragraph 3.5.1.

## 2.8 Training

2.8.1 CIPFA's Treasury Management Code of Practice and Cross-Sectoral Guidance Notes require the responsible officer (the Chief Finance Officer) to ensure that:

- all staff involved in the treasury management function (including statutory officers) are fully equipped to undertake the duties and responsibilities allocated to them
- members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

2.8.2 In complying with these requirements the Authority regularly reviews the training needs of officers and members and will arrange training, as required, to ensure that officers and members have the requisite skills and knowledge relevant to their needs and responsibilities.

## **2.9 Treasury management advisors**

2.9.1 The Authority currently uses the Link Group (Link Treasury Services Limited), as its external treasury management advisors. They provide a range of services to the Authority including:

- technical support on treasury matters and capital finance issues
- economic and interest rate analysis
- debt services including advice on the timing of borrowing
- debt rescheduling advice
- generic investment advice on interest rates, timing and investment instruments
- credit ratings and creditworthiness information.

2.9.2 The Authority recognises that responsibility for treasury management decisions remains with the Authority at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers. The Authority also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented, and subjected to regular review.

2.9.3 Link Treasury Services were appointed in 2022 following a competitive tendering exercise. Their current contract with the Authority commenced on 1 September 2022 and will run to 31 March 2026 with an option for this to be extended, by the Authority, for an additional one-year.



### **3. Annual Investment Strategy**

#### **3.1 Investment policy - objectives**

3.1.1 The Authority's investment policy deals with investments in financial instruments held for treasury management purposes and is set with regard to the requirements of :

- DLUHC's Guidance on Local Government Investments ('DLUHC's Investment Guidance') (third edition), and
- CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2021 Edition ('the Treasury Management Code').

3.1.2 Accordingly, the Authority's primary policy objectives in relation to its treasury investment activity are to ensure:

- first, the security of principal sums invested (i.e. to protect the capital sum invested from loss)
- second, that appropriate levels of liquidity are maintained (i.e. ensuring funds invested are available to meet expenditure when needed).

3.1.3 The Authority will aim to achieve the optimum return on its investments (yield) commensurate with the proper levels of security and liquidity. However, yield will only determine investment decisions when deciding between two or more investments satisfying security and liquidity objectives.

#### **3.2 Creditworthiness policy (credit risk management)**

3.2.1 Ensuring the security of principal sums invested is achieved through active management of the Authority's credit risk exposures. This includes placing restrictions and limits on:

- the counterparties with whom investments may be placed based on the creditworthiness of the counterparty (section 3.3)
- the types of investment instruments that may be used (section 3.4)
- the amount invested with any single institution or group of institutions on the Authority's list of approved counterparties (section 3.5)
- the duration of individual investment instruments depending on the financial standing (creditworthiness) of the counterparty (section 3.6).

### 3.3 Approved investment counterparties

- 3.3.1 Counterparties with whom investments may be placed are restricted to financial institutions and other bodies of high credit quality. High credit quality financial institutions and other bodies are defined by the Authority as those with a minimum rating across all three of the main credit ratings agencies (Fitch, Moody's and Standard & Poor's) of A- (or equivalent) - long-term, and A-1 (or equivalent) - short-term. For LVNAV Money Market Funds the minimum credit rating is AAmmf.
- 3.3.2 Approved investment counterparties are determined using the creditworthiness service provided by the Authority's treasury advisors Link Treasury Services. This combines credit ratings information provided by the three main credit rating agencies - Fitch, Moody's and Standard & Poor's - with ratings outlooks (indicating the likely direction of an issuer's rating over the medium term) and credit watches and watchlists (indicating that downgrading or upgrading of the credit rating could be imminent) in a weighted scoring system.
- 3.3.3 This is combined with an overlay of credit default swap (CDS) spreads indicating perceived market sentiment regarding the credit risk associated with a particular institution and an early warning of potential creditworthiness problems which may only belatedly lead to actual changes in credit ratings.
- 3.3.4 Application of Link's creditworthiness methodology produces a colour rating to indicate the relative creditworthiness of the counterparty. These colour ratings are also used to determine the maximum duration for investments made with individual counterparties (see section 3.6 below). The Link creditworthiness service thus uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it avoids placing undue reliance on the rating provided by any one agency's ratings.
- 3.3.5 Whilst application of Links creditworthiness methodology will typically result in approved counterparties holding a minimum credit ratings of A- (or equivalent) - long-term, and A-1 (or equivalent) - short-term, it can on occasions generate an "approved rating" for a counterparty whose rating from one rating agency is below these minimum ratings.
- 3.3.6 To ensure that investments are only placed with high credit quality (investment grade) counterparties (as defined in paragraph 3.3.1) application of Link's creditworthiness methodology is subject to the additional requirement for any counterparty used to hold a minimum rating of A- (or

equivalent) - long-term, and A-1 (or equivalent) - short-term. This minimum rating criteria, applied by the Authority, uses the lowest common denominator method of selecting counterparties and applying limits. This means the minimum rating criteria will apply to the lowest available rating for any institution. For example, if an institution is rated by two agencies, one rating meets the Authority's criteria, the other does not, the institution will fall outside the lending criteria and will be excluded from the list of approved counterparties. The minimum rating criteria does not apply to the UK sovereign rating.

- 3.3.7 Credit ratings and creditworthiness information is supplied to the Authority by Link Treasury Services and monitored weekly. The Authority is also alerted by email when there is an amendment by any of the agencies to the credit rating of an institution. If as a result of a downgrade, a counterparty no longer meets the Authority's minimum credit ratings criteria, it will be removed immediately from the Authority's counterparty (dealing) list.
- 3.3.8 Notifications of rating changes, rating watches and rating outlooks are provided to officers almost immediately after they occur. The information contained in these notifications is considered by officers before dealing. For instance, a negative rating watch applying to a counterparty, currently at the minimum Authority criteria, will result in the counterparty being suspended from use, with all others being reviewed in light of market conditions. Link Treasury Services also provide the Authority with information relating to movements in credit default swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its *Passport* website. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.
- 3.3.9 Whilst credit ratings and the use of Link's Creditworthiness Service remain a key source of information in establishing the Authority's list of approved counterparties, they are not the sole determinant of the Authority's assessment of the credit quality of potential counterparties. Other information sources used to assess the suitability of potential investment counterparties include the financial press, share price and other information pertaining to the banking sector and the economic and political environments in which these institutions operate. Regardless of the credit rating assigned to an institution, if this additional information casts doubt over its financial standing then that institution will be removed immediately from the Authority's counterparty lending list.

### **Creditworthiness**

- 3.3.10 Significant levels of downgrades to short and long-term credit ratings of financial institutions, including UK banks, have not materialised since the crisis in March 2020. For the most part, where changes have occurred these have been limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, the Authority will not set a minimum rating for the UK.

### **Credit Default Swap (CDS) prices**

- 3.3.11 Although bank CDS prices spiked upwards during the autumn of 2022, they have since returned to more average levels. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link Treasury Services monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link's *Passport* website.

## **3.4 Approved instruments**

- 3.4.1 The types of investment instruments that may be used by the Authority - subject to the counterparty and maturity limits set out in sections 3.5 and 3.6 - are shown in table 3. Permitted instruments are categorised as either "Specified" or "Non-Specified" investments, as defined in DLUHCs Investment Guidance, to distinguish those (specified) investment instruments offering relatively high security and high liquidity from those with higher credit risk (non-specified investments). All investments will be in sterling.

**Table 3: Permitted investment instruments - specified & non-specified**

Investment	Min Credit / Link Colour Rating	Specified	Non-Specified
<b>Principal permitted investment instruments</b>			
Term deposits, call and notice accounts with banks & building societies	AA- (LT) & A-1 (ST) /Green*	✓	x
UK Part nationalised Banks ('ring-fenced' entity)	AA- (LT) & A-1 (ST) /Blue*		
Term deposits with UK local authorities	AA- (LT) & A-1 (ST) /Green*	✓	x
Low Volatility Net Asset Value Money Market Funds – [LVNAV] with 60-day Weighted Average Maturity (WAM))	AAAmf/ Yellow*	✓	x
Debt Management Account Deposit Facility	UK sovereign rating	✓	x
Local Authority Property Fund (CCLA)	-	✓	✓
<b>Other permitted investment instruments</b>			
Certificates of deposit issued by rated banks & building societies	AA- (LT) & A-1 (ST) /Green*	✓	x
Gilts issued by the UK Debt Management Office (DMO)	UK sovereign rating	✓	x
Treasury Bills (T-bills) issued by the UK DMO	UK sovereign rating	✓	
Gilt Funds	UK sovereign rating	✓	x
Bonds issued by Multilateral Development Banks	AAA	✓	x
Other Money Market & Collective Investment Schemes	AAA	✓	✓
Equity investments			✓

\* for non UK counterparties the Country limits set out in paragraphs 3.5.2 and 3.5.3 also apply

3.4.2 A specified (treasury management) investment - offering high security and high liquidity - is defined as an investment that is:

- (a) denominated in sterling with any payments or repayments payable only in sterling
- (b) not a long-term investment (i.e. the authority has a contractual right to repayment within 12 months either because that is the expiry term of the investment or through a non-conditional option)

- (c) not defined as capital expenditure under regulations (e.g. acquisition of share capital)
- (d) made with a body or in an investment scheme of high credit quality (as defined by the Authority in paragraph 3.3.1) or with the UK Government, a local authority or a parish council or community council.

3.4.3 A non-specified investment refers to any (treasury management) investment not meeting the definition of 'specified investments'. The Authority currently holds a limited quantity of non-specified investments. These comprise units held in the Churches, Charities and Local Authorities (CCLA) Local Authorities' Property Fund and unquoted equity shares. At 31 December 2023 these accounted for less than 3% of the Authority's total investment portfolio. No additional non-specified (treasury) investments are planned during 2024-25 and all new investments made in 2024-25 will be subject to a maximum maturity of 365 days.

3.4.4 Non-specified investments will only be made with prior approval of the Chief Finance Officer (s151 Officer) and will only be undertaken:

- following external credit assessment and due diligence to assess the financial strength and creditworthiness of the counterparty, and
- after taking such professional advice as is considered necessary to inform the decision to invest.

3.4.5 In the event the credit rating of the Authority's banker falls below the minimum credit criteria referred to above, the Authority will continue to use the bank for transactional purposes but will seek to minimise balances as far as is possible.

### **3.5 Limits on principal sums invested with counterparties**

3.5.1 With the exception of funds placed with H.M. Treasury's Debt Management Office (DMO), the maximum amount that may be placed with any institution or group of institutions that are part of the same banking group and registered in the UK, is set out in table 4. For funds placed with the DMO's Account Deposit Facility, there is no upper limit on the amount that may be invested.

**Table 4: Upper limits on sums invested with counterparties**

Colour rating	Maximum sum invested
Debt Management Deposit Account Facility DMADF	No upper limit.
Other Local Authorities	£20m per counterparty, up to a maximum of 20% of the total investment portfolio per counterparty at the time the deposit is made.
Yellow - Low Volatility NAV Money Market Funds (MMF)	£20m per MMF up to a maximum of 20% of the total investment portfolio per counterparty at the time the deposit is made.
Purple	At the time the deposit is made, up to 20% of the total investment portfolio per counterparty, subject to maximum of £20m principal per counterparty/group of counterparties within the same banking group.
Blue (Nationalised and Part Nationalised Banks only)	Maximum of £25m principal per counterparty/group of counterparties within the same banking group up to a maximum of 20% of the total investment portfolio per counterparty/banking group at the time the deposit is made.
Orange	At the time the deposit is made, up to 20% of the total investment portfolio per counterparty/banking group, subject to a maximum investment of £20m principal per counterparty/group of counterparties within the same banking group.
Red	At the time the deposit is made, up to 15% of the total investment portfolio per counterparty/banking group, subject to a maximum investment of £15m principal per counterparty/group of counterparties within the same banking group.
Green	At the time the deposit is made, up to 10% of the total investment portfolio per counterparty/banking group, subject to maximum of £10m principal per counterparty/group of counterparties within the same banking group.
No colour	Counterparty not used.

### County Limits

3.5.2 Subject to the overarching counterparty criteria set out in sections 3.3 (approved investment counterparties), section 3.4 (approved instruments) and the limits on principal sums invested described above, where the country of registration of an institution has an average credit rating (i.e. an average sovereign credit rating) equal to, or better than that of the UK the Authority may consider the placement of investments on the same basis applied for UK-registered institutions.

3.5.3 Where an institution otherwise meets the approved counterparty status (derived from application of Links Creditworthiness methodology and the minimum credit ratings criteria applied by the Authority) but the country of registration has an average credit rating below that of the UK, the aggregate amount that may be placed with all institutions registered in such rated non-UK countries is limited to no more than 20% or £20m (whichever is the lesser) of the total investment portfolio.

### **3.6 Limits on investment maturities**

3.6.1 To ensure that access to cash needed to meet forecast liquidity requirements is not impaired, decisions regarding the maturity of investments instruments must be taken having regard to the Authority's cash flow requirements. The maturity of investment instruments is also subject to the maximum maturity periods set out below (table 4). These are established to ensure that access to cash is not unduly restricted and to reduce the risk of being locked into an investment whilst the creditworthiness of the counterparty is deteriorating.

3.6.2 The maximum period for which funds may prudently be committed by the Authority is determined using the creditworthiness service provided by Link Treasury Services. As noted in section 3.3 this combines credit ratings information provided by the three main credit rating agencies - Fitch, Moody's and Standard & Poor's - with ratings outlooks and credit watches in a weighted scoring system. This is combined with an overlay of credit default swap (CDS) spreads to produce a colour rating to indicate the relative creditworthiness of the counterparty. These colour codes are in turn used to determine the maximum duration for investments made with individual counterparties.

3.6.3 To ensure sufficient liquidity to cover the Authority's cash flow requirements it is considered appropriate in the current economic climate to keep investment terms short. The Authority will however also to seek out value available in periods of up to 12 months with high credit rated institutions whilst investment rates remain elevated. Using this approach, the Authority will use the following duration bands - shown in table 5 - subject to a maximum maturity of 365 days (from the date of acquisition).



**Table 5: Upper limits on investment maturities**

Colour rating	Maximum duration (term to maturity)
Debt Management Deposit Account Facility DMADF	6 months (maximum set by DMO)
Other Local Authorities	365 days (2023-24 limit 2 years)
Yellow	5 years- restricted to 12 months (365 days)(see paragraph 3.6.3)
Purple	2 years - restricted to 12 months (365 days) (see paragraph 3.6.3)
Blue (Nationalised and Part Nationalised Banks only)	12 months (365 days)
Orange	12 months (365 days)
Red	6 months
Green	100 days
No colour	0 months (counterparty not to be used)

### 3.7 Reporting arrangements

- 3.7.1 The Treasury Management and Prudential Codes require the Authority to report regularly on its treasury management activities, including its performance against all forward-looking prudential and treasury management indicators set out in section 5 below. In meeting the recommended reporting requirements of the Treasury Management Code (outlined in section 1.2 above), the Chief Finance Officer (s151 Officer) will, in addition to this report, submit to the Audit Committee and Full Council:
- a mid-year review of the Council’s treasury management activities covering the six months to 30 September 2024, and
  - an annual treasury report after the year-end.
- 3.7.2 The annual report will be submitted as soon as reasonably practicable after the end of the financial year, but in any case no later than 30 September 2025.
- 3.7.3 A summary of treasury management activities will also be included in the quarterly finance reports submitted to the Council’s Executive. This will include reporting on performance against all forward looking prudential indicators.

## 4. Minimum revenue provision (MRP) policy statement

### 4.1 Introduction

- 4.1.1 Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ('the 2003 Regulations') requires local authorities to 'charge to a revenue account a minimum revenue provision (MRP) for that year'. The minimum revenue provision is an annual amount required to be set aside from the General Fund to meet the capital cost of expenditure funded by borrowing or credit arrangements, that is, capital expenditure that has not been financed from grants, revenue contributions or capital receipts.
- 4.1.2 Regulation 27 also allows authorities to charge to a revenue account any amount, in addition to the MRP, in respect of the financing of capital expenditure incurred in the current financial year or any financial year before the current year (voluntary revenue provision - VRP).
- 4.1.3 The calculation of MRP is covered in regulation 28 of the 2003 Regulations. From 31 March 2008, Regulation 28, as amended by Regulation 4(1) of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 ('the 2008 Regulations'), requires each authority to:
- 'determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.'
- 4.1.4 The 2003 Regulations (as amended) are accompanied by statutory guidance on minimum revenue provision, issued by the Department for Levelling Up, Housing & Communities (formerly the Ministry of Housing, Communities & Local Government (MHCLG)) under section 21(1A) of the Local Government Act 2003 ('the 2003 Act'). The latest version of this guidance (version four) was issued by MHCLG (now DLUHC) in February 2018.
- 4.1.5 In meeting the requirement to 'make prudent provision', the 2003 Act requires local authorities to 'have regard to' this guidance. This means that an authority must consider what the statutory guidance says. It does not mean that a local authority is obligated to follow the guidance. However, if an authority does decide to depart from the guidance, it must be able to show good reasons for doing so.

4.1.6 The current version of regulation 28 was implemented by the 2008 regulations. It came into force on 31 March 2008 and along with the first edition of MHCLG's (now DLUHC) statutory guidance on MRP, applies to 2007-08 and later years. The current version of regulation 28 provides Authorities with flexibility in how they calculate MRP, subject to the overriding requirement to 'make prudent provision'. Before this change, regulation 28 set out detailed formula - based on an authority's capital financing requirement - which authorities were required to follow when calculating MRP.

## 4.2 Options for making prudent provision

4.2.1 Neither the 2003 Regulations nor the statutory guidance formally define the term "prudent provision". The statutory guidance does however establish the broad aim of making prudent provision, which is to ensure that revenue is put aside to cover the underlying need to borrow for capital purposes (the capital financing requirement) over a period that is:

- commensurate with the period over which the capital expenditure provides benefits, or
- for historic borrowing originally supported by grant income rolled into Revenue Support Grant (RSG), over the period implicit in the determination of that original grant funding.

4.2.2 The DLUHC guidance outlines four possible 'options' as methods of calculating a prudent amount of MRP. However, approaches other than the four listed in the guidance are not ruled out, provided they are consistent with the statutory duty to make a prudent provision. This provides authorities with wide discretion in determining MRP. The statutory guidance also includes specific recommendations on the calculation of MRP in respect of finance leases and from 1 April 2024, leases where a right-of-use asset is recognised on balance sheet, on-balance PFI contracts and investment properties.

4.2.3 For on balance sheet leases and PFI contracts, the MRP requirement is regarded as met by a charge equal to the element of the rental/charge that goes to write down the balance sheet liability. Where a lease (or part of a lease) or PFI contract is brought onto the balance sheet, having previously been accounted for off- balance sheet, the MRP requirement is regarded, as having been met by including in the charge for the year in which the restatement occurs, an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement.

4.2.4 The four options for calculating MRP outlined in the DLUHC guidance, and restrictions on their use, are summarised in table 5.

**Table 5: Options for prudent provision of MRP**

Option	Method of calculation	Applicability and limits on use
<b>'Option 1 Regulatory method'</b>	Apply the statutory formula set out in the 2003 Regulations (as amended) before it was revoked by the 2008 Regulations	May only be used in relation to: <ul style="list-style-type: none"> <li>Supported capital expenditure for RSG purposes incurred before 1 April 2008.</li> <li>Supported capital expenditure for RSG purposes incurred on or after 1 April 2008.</li> </ul>
<b>'Option 2 CFR method'</b>	Multiply the (non-housing) Capital Financing Requirement at the end of the preceding financial year by 4%.	May only be used in relation to: <ul style="list-style-type: none"> <li>Supported capital expenditure incurred before 1 April 2008.</li> <li>Supported capital expenditure for RSG purposes incurred on or after 1 April 2008.</li> </ul>
<b>'Option 3 Asset life method'</b>	Amortise expenditure financed by borrowing or credit arrangement over the estimated useful life of the relevant assets using either the equal instalment or annuity method.	<u>Must</u> be used for capital expenditure incurred on or after 1 April 2008 that does not form part of the Authority's supported capital expenditure. This includes all expenditure capitalised under regulations or direction on or after 1 April 2008 falling outside the scope of 'Option 1'. <u>May</u> be used in relation to any capital expenditure whether or not supported and whenever incurred.
<b>'Option 4 Depreciation method'</b>	Charge MRP to revenue based on proper accounting practices for depreciation as they apply to the relevant assets. This includes any amount for impairment chargeable to the Income & Expenditure Account.	<u>Must</u> be used for capital expenditure incurred on or after 1 April 2008 that does not form part of the Authority's supported capital expenditure. <u>May</u> be used in relation to any capital expenditure whether or not supported and whenever incurred. Option 4 may not be used for calculating MRP to be charged in respect of investment properties.

4.2.5 Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, authorities applying 'Option 3' should calculate MRP by reference to the estimated useful life of the asset. Two main variants of this option exist: (i) the equal instalment method and (ii) the annuity method.

4.2.6 Both variations allow authorities to make additional voluntary revenue provision (VRP) or to finance expenditure through other methods of repayment during the repayment period (for example through the application of capital receipts). In such cases, appropriate adjustments should be made to the calculation of MRP. Where an authority uses Options 3 or 4, the CFR for the purposes of Options 1 and 2 is reduced by the amount of the relevant expenditure and cumulative provision for MRP made under Options 3 and 4.

### 4.3 MRP Policy adopted for 2024-25

4.3.1 Having regard to the statutory guidance on MRP issued by DLUHC (formerly MHCLG) and the 'options' for calculating MRP set out in that guidance, the Authority will calculate MRP:

- for all capital expenditure funded from borrowing incurred by sovereign councils prior to local government reorganisation on 1 April 2023, using the MRP policies applied by the Sovereign Councils prior to reorganisation
- for all (unsupported) capital expenditure funded from borrowing expenditure incurred on or after 1 April 2023 by applying Option 3 - Asset life method - using either the equal instalments or annuity method.

4.3.2 This hybrid approach to the calculation of MRP is summarised in table 1:

**Table 1: Methodology for charging MRP in 2024-25**

Unfinanced capital expenditure incurred by:	Method of calculation	
	Supported capital expenditure incurred before 1 April 2008	Supported & unsupported capital expenditure incurred after 1 April 2008
Allerdale Borough Council	<b>Option 2</b> - CFR method - 4% of Capital Financing Requirement at the end of the preceding financial year	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method
Carlisle City Council	N/A [CFR attributable to pre 2008 expenditure: £nil/£negative]	3% of opening CFR net of Adjustment A (calculated in accordance with the formula set out in the Statutory Guidance). For 2024-25 the calculated MRP also includes a reduction of £241k in respect of a prior year overpayment of MRP following a change in MRP policy in 2017-18.
Copeland Borough Council	<b>Option 2</b> - CFR method - 4% of Capital Financing Requirement at the end of the preceding financial year	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method
Cumbria County Council	2% straight line basis, net of Adjustment A. 2% calculated on CFR at 31.3.16 (net of Adjustment A) plus 2% of the reduction in MRP taken between 2017-18 to 2020-21, following a change in MRP policy in 2016-17.	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method
Cumberland Council	N/A	<b>Option 3</b> - Asset Life Method, using either the equal instalments or annuity method

4.3.3 For credit arrangements, such as on balance sheet PFI and leasing arrangements, MRP will be calculated in line with statutory guidance by charging as MRP an amount equal to the element of the rent/charge that goes to write down the balance sheet liability.

4.3.4 In applying 'Option 3':

- MRP should normally begin in the financial year following the one in which the expenditure was incurred. However, in accordance with the statutory guidance, commencement of MRP may be deferred until the financial year following the one in which the asset becomes operational
- the estimated useful lives of assets used to calculate MRP should not exceed a maximum of 50 years except as otherwise permitted by the guidance
- if no life can reasonably be attributed to an asset, such as freehold land, the estimated useful life should be taken to be a maximum of 50 years
- for expenditure capitalised by virtue of a capitalisation direction or regulation 25(1) of the 2003 regulations, the 'asset' life should equate to the value specified in the statutory guidance.

## **5. Prudential and treasury indicators 2024-25 to 2026-27**

### **5.1 Indicators required by the Prudential Code**

5.1.1 The Prudential Code requires local authorities to self-regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans, by setting estimates and limits, and by publishing actuals for a range of prudential indicators. It also requires them to ensure their treasury management practices are carried out in accordance with good professional practice.

5.1.2 The prudential and treasury indicators required by the Prudential Code, the Treasury Management Code and accompanying sector guidance issued by CIPFA, are designed to support and record local decision making. They are not designed to be comparative performance indicators and should not be used for this purpose. The prudential and treasury indicators for the forthcoming and following years must be set before the beginning of the forthcoming year. They may be revised at any time, following due process, and must be reviewed, and revised if appropriate, for the current year when the prudential indicators are set for the following year.

- 5.1.3 From 2024-25 the Code of Practice on Local Authority Accounting is expected to adopt the requirements of IFRS 16 - Leases. This will impact on the accounting treatment of both existing leases in place at 1 April 2024 as well as new leases entered into on or after 1 April 2024. These changes will have implications for the prudential and treasury indicators set out in this section, including estimates of capital expenditure, external debt (other long-term liabilities), Capital Financing Requirement, the Authorised Limit for External Debt and the Operational Boundary.
- 5.1.4 Precise measurement of the impact of IFRS 16 is dependent on the completion of balance sheet disaggregation work at 1 April 2023 and a detailed impact assessment based on data up to and including 1 April 2024. In the meantime, with the exception of the Authorised Limit and Operational Boundary, the prudential and treasury indicators for 2024-25 to 2026-27 set out in this section exclude the anticipated impact of adopting IFRS 16.

#### **Estimates of capital expenditure**

- 5.1.5 The estimate of capital expenditure indicator summarises the Authority's capital expenditure plans for the forthcoming year and the following two financial years. Estimates of capital expenditure include both those agreed previously and those forming part of the current (2024-25) budget cycle.
- 5.1.6 Capital expenditure is defined as in section 16 of the Local Government Act 2003 and includes all expenditure capitalised in accordance with proper practices together with any items capitalised in accordance with regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended), or by virtue of a capitalisation direction issued under section 16(2) of the 2003 Act. Estimates of capital expenditure include any capital expenditure that it is estimated might (depending on option appraisals) or will be dealt with as other long-term liabilities (e.g. on-balance sheet leases).

**Table 6: Capital expenditure**

Planned Capital Expenditure	2023-24 Approved <sup>1</sup> £000	2023-24 Revised <sup>2</sup> £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000
Approved in 2023-24 (& prior years) <sup>1</sup>	174,107	174,107	77,855	44,636	23,003
Budgets carried forward from 2022-23	0	73,674	0	0	0
In-year adjustments to Q2 2023-24	0	1,562	0	0	0
<b>Current budget (Q2)</b>	<b>174,107</b>	<b>249,343</b>	<b>77,855</b>	<b>44,636</b>	<b>23,003</b>
Programme revisions Q3	0	41,810	0	0	0
Reprofiling adjustments	0	(119,487)	71,282	48,205	0
Other Growth/(Savings)	0	(1,090)	86,259	30,335	0
Capitalisation Direction	40,000	40,000	0	0	0
Reprofile use of Capitalisation Direction	0	(27,150)	27,150	0	0
Uplift to Capitalisation Direction ask	0	0	14,080	12,133	0
<b>Total expenditure</b>	<b>214,107</b>	<b>183,426</b>	<b>276,626</b>	<b>135,309</b>	<b>23,003</b>

<sup>1</sup> Approved capital programme for 2023-24;

<sup>2</sup> Updated to reflect carry forward of budget from 2022-23, additional capital bids/savings, reprofiling and reallocation adjustments included in the current capital budget for 2023-24 and the reprofiling and other adjustments proposed as part of the 2024-25 budget setting round.

- 5.1.7 Further information regarding the Authority’s capital expenditure plans is set out in the 2024-25 Revenue and Capital Budget report (presented to the Executive on 13 February 2024 and Full Council on 6 March 2024).
- 5.1.8 Table 7 shows how these capital expenditure plans will be financed through the application of capital and revenue resources. Any excess of capital expenditure over resources applied (unfinanced expenditure) will result in a corresponding increase in the underlying need for borrowing (the capital financing requirement).



**Table 7: Financing of capital expenditure**

	2023-24		Estimate		
	Current £000	Revised £000	2024-25 £000	2025-26 £000	2026-27 £000
<b>Total expenditure</b>	<b>214,107</b>	<b>183,426</b>	<b>276,626</b>	<b>135,309</b>	<b>23,003</b>
<b>Financed by:</b>					
Capital receipts	1,079	1,278	1,433	88	0
Capital grants/contr'ns	135,785	135,071	208,715	93,103	12,270
Revenue/Reserves	1,780	1,951	1,373	0	0
<b>Total financed</b>	<b>138,644</b>	<b>138,300</b>	<b>211,521</b>	<b>93,191</b>	<b>12,270</b>
Unfinanced expenditure:					
Supported borrowing <sup>1</sup>	0	0	0	0	0
Unsupported borrowing	75,463	45,126	65,105	42,118	10,733
Leasing	0	0	0	0	0
<b>Financed &amp; unfinanced</b>	<b>214,107</b>	<b>183,426</b>	<b>276,626</b>	<b>135,309</b>	<b>23,003</b>

<sup>1</sup> Following the Spending Review 2010 there have been no new supported borrowing allocations since 2010-11 (although the level of assumed outstanding debt is still included in the calculation of formula grant allocations). This form of financial support has been discontinued from 2011-12.

### Estimates of the Capital Financing Requirement

- 5.1.9 The Capital Financing Requirement (CFR) is a measure of an authority's underlying need to borrow for capital purposes. It represents the historic cost of capital expenditure that has yet to be financed by setting aside resources (grants, contributions, capital receipts or direct revenue financing). It does not necessarily correspond with an authority's actual borrowing position. The level of external debt will be determined in accordance with an authority's treasury management strategy and practices and authorities should not associate borrowing with particular items of expenditure unless required to do so by legislation or official guidance.
- 5.1.10 Capital expenditure that is not financed up-front through the application of capital grants, contributions, capital receipts or a direct charge to revenue, will increase the Capital Financing Requirement. Charging the minimum revenue provision or a voluntary revenue provision against the general fund will reduce the CFR. The CFR includes items of capital expenditure included in the Authority's balance sheet that are associated with other long-term liabilities, such as on-balance sheet leases, deferred purchases and similar arrangements, but excluding the underlying liability.
- 5.1.11 Table 8 sets out estimates of the Authority's capital financing requirement at the end of 2023-24 and the following three financial years.

**Table 8: Capital financing requirement**

	2023-24		Estimate		
	Approved £000	Revised £000	2024-25 £000	2025-26 £000	2026-27 £000
CFR -1 April - Borrowing	356,516	337,320	371,375	423,327	449,265
CFR -1 Apr.- leases & PFI	95,835	95,936	93,641	90,610	86,939
CFR - IFRS 16 impact	0	0	0	0	0
<b>Total CFR at 1 April</b>	<b>452,351</b>	<b>433,256</b>	<b>465,016</b>	<b>513,937</b>	<b>536,204</b>
CFR - 31 Mar. - Borrowing	420,490	371,375	423,327	449,265	441,826
CFR - 31 Mar.- leases & PFI	93,520	93,641	90,610	86,939	82,719
CFR - IFRS 16 impact	0	0	0	0	0
<b>Total CFR at 31 March</b>	<b>514,010</b>	<b>465,016</b>	<b>513,937</b>	<b>536,204</b>	<b>524,545</b>
<b>Movement in CFR</b>	<b>61,659</b>	<b>31,760</b>	<b>48,921</b>	<b>22,266</b>	<b>(11,659)</b>
<b>Represented by:</b>					
Unfinanced expenditure	75,463	45,126	65,105	42,118	10,733
Less: MRP/VRP	(11,477)	(11,071)	(13,153)	(16,181)	(18,172)
Less: MRP(PFI & leases)	(2,315)	(2,295)	(3,031)	(3,671)	(4,220)
Other movements	(12)	0	0	0	0
<b>Movement in CFR</b>	<b>61,659</b>	<b>31,760</b>	<b>48,921</b>	<b>22,266</b>	<b>(11,659)</b>

**Gross debt and the capital financing requirement (CFR)**

- 5.1.12 A fundamental provision of the Prudential Code and a key indicator of prudence is that over the medium term, debt will only be for a capital purpose. To ensure this is the case, the Prudential Code requires that gross external debt should not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
- 5.1.13 This requirement allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes. If in any of these years there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR used for comparison with gross external debt. Gross debt refers to the sum of borrowing and other long-term liabilities (credit arrangements) such as on-balance sheet leases.

**Table 9: Gross debt & the CFR 2022-23**

	£000	Limit 2024-25 £000
Forecast CFR at 31 March 2024		465,016
Adoption of IFRS 16 - Leases at 1 April 2024		0
Estimated additional CFR for:		
2024-25 (see table 8)	48,921	
2025-26 (see table 8)	22,266	
2026-27 (see table 8)	0	71,187
<b>Limit</b>		<b>536,203</b>
<b>Gross Debt 2024-25 (maximum)<sup>1</sup></b>		
Estimated gross debt at 31 March 2024 - existing borrowing	253,421	
Estimated (maximum) net additional borrowing - 2023-24	67,938	
Estimated (maximum) net additional borrowing - 2024-25	67,605	
Estimated PFI & on balance sheet lease liabilities at 1 April 2024	93,641	
Estimated Value of new leases 2024-25 (inc. IFRS 16 impact)	-	
Estimated gross debt 2024-25		<b>482,605</b>
<b>Excess of CFR over gross debt</b>		<b>53,598</b>

<sup>1</sup> Additional debt excluding repayments made

5.1.14 At 31 December 2023, the Authority was under-borrowed against its capital financing requirement by approximately £77.7m. The Authority does not anticipate any difficulties in complying with this indicator during 2024-25 or the following two financial years.

5.1.15 Forward projections for borrowing and the CFR re summarised in the following table. The projections are predicated on the assumption that in year cash flows and reserve balances will be available to maintain an underborrowed position of approximately £50m in 2023-24 and 2024-25.

**Table 9a: Forward Projections of borrowing and the CFR (based on budget)**

	1.4.23 £000	31.3.24 £000	31.3.25 £000	31.3.26 £000	31.3.27 £000
Borrowing	260,305	321,359	373,269	412,821	415,230
Other long-term liabilities	95,936	93,641	90,610	86,939	82,657
<b>Total Gross Debt</b>	<b>356,241</b>	<b>415,000</b>	<b>463,879</b>	<b>499,760</b>	<b>497,887</b>
CFR - borrowing	337,320	371,375	423,327	449,265	441,826
CFR - Other long-term liabilities	95,936	93,641	90,610	86,939	82,719
<b>CFR - total</b>	<b>433,256</b>	<b>465,016</b>	<b>513,937</b>	<b>536,204</b>	<b>524,545</b>
(Under)/over borrowing	(77,015)	(50,016)	(50,058)	(36,443)	(26,658)

**Authorised limit for external debt**

- 5.1.16 The Authorised Borrowing Limit represents the statutory limit on borrowing determined under section 3 of the Local Government Act 2003 (Affordable Limit). It imposes an upper limit on the Authority’s gross external debt (excluding investments), separately identifying borrowing (external loans) from other long-term liabilities (for example on-balance sheet lease liabilities). Breach of the Affordable Borrowing Limit is prohibited by section 2(1)(a) of the Local Government Act 2003.
- 5.1.17 The Authorised Borrowing Limit is set with reference to the Authority’s capital expenditure plans, capital financing requirement (or underlying borrowing requirement) and the potential need to borrow to meet temporary revenue borrowing requirements, pending the receipt of amounts due to the Authority. The Affordable Borrowing Limit also includes headroom over and above the Operational Boundary (see below) to accommodate any unusual or unforeseen cash movements. The indicator separately identifies limits for borrowing and other long-term liabilities.

**Table 10: Authorised Limit for External Debt**

	<b>2023-24 Original Limit</b>	<b>2023-24 Revised Limit</b>	<b>2024-25 Limit<sup>1</sup></b>	<b>2025-264 Limit<sup>1</sup></b>	<b>2026-27 Limit<sup>1</sup></b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	445,000	400,000	450,000	475,000	475,000
Other long-term liabilities	106,000	106,000	104,000	101,000	97,000
Other LT liabilities: IFRS 16 <sup>1</sup>	-	-	15,000	15,000	15,000
<b>Total</b>	<b>551,000</b>	<b>506,000</b>	<b>569,000</b>	<b>591,000</b>	<b>587,000</b>

<sup>1</sup>allowance for the impact on other long term liabilities arising from the anticipated changes to the 2024-25 Code of Practice on Local Authority Accounting in relation to the adoption of IFRS 16 Leases.

**Operational boundary for external debt**

- 5.1.18 The Operational Boundary represents the limit beyond which (gross) external debt is not expected to exceed. It is based on expectations of the maximum external debt of a local authority according to probable events (that is the most likely (prudent), but not worst case scenario) and is consistent with the maximum level of external debt projected by these estimates. The Operational Boundary links directly to the Authority’s plans for capital expenditure, estimates of the capital financing requirement and cash flow requirements for the year for all purposes but without the additional headroom included within the Authorised Limit. The indicator separately identifies limits for borrowing and other long-term liabilities.

**Table 11: Operational boundary for external debt**

	<b>2023-24 Original Limit</b>	<b>2023-24 Revised Limit</b>	<b>2024-25 Limit<sup>1</sup></b>	<b>2025-26 Limit<sup>1</sup></b>	<b>2026-27 Limit<sup>1</sup></b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	420,000	375,000	425,000	450,000	450,000
Other long-term liabilities	96,000	96,000	94,000	91,000	87,000
Other LT liabilities: IFRS 16 <sup>1</sup>			10,000	10,000	10,000
<b>Total</b>	<b>516,000</b>	<b>471,000</b>	<b>529,000</b>	<b>551,000</b>	<b>547,000</b>

<sup>1</sup>allowance for the impact on other long term liabilities arising from the anticipated changes to the 2024-25 Code of Practice on Local Authority Accounting in relation to the adoption of IFRS 16 Leases.

5.1.19 In the TMSS for 2023-24 the Operational Boundary and Authorised Limits for borrowing, in the three financial years 2024-25 to 2026-27, were set £420m and £445m respectively.

### **Estimates of the ratio of financing costs to net revenue stream**

5.1.20 This indicator of affordability highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.

5.1.21 Estimates of financing costs comprise the aggregate of the following amounts included in the Authority's original and revised budgets:

- interest charged to the General Fund with respect to borrowing
- interest payable under on-balance sheet leasing arrangements and any other long-term liabilities
- premiums and discounts from debt restructuring charged or credited to the amount to be met from government grants and local taxpayers
- amounts payable or receivable in respect of financial derivatives
- minimum revenue provision plus any additional voluntary contributions
- any amounts for depreciation/impairment charged to the amount to be met from government grants and local taxpayers.

5.1.22 Estimates for net revenue stream for current and future years are taken from the Authority’s estimates of the amounts to be met from government grants and local taxpayers, using the equivalent figures from the Authority’s original and revised budgets.

**Table 12: Ratio of Financing Costs to Net Revenue Stream**

	2023-24 Original %	2023-24 Revised %	2024-25 Estimate %	2025-26 Estimate %	2026-27 Estimate %
Ratio total	12.42%		12.89%	14.00%	14.48%
Borrowing	8.13%		8.69%	9.85%	10.41%
Leases	4.29%		4.20%	4.15%	4.08%

5.1.23 Calculation of the amounts set out in table 12 reflect the unringfenced financing included in the 2024-25 revenue budget proposals and the latest iteration of the Authority’s Medium Term Financial Plan accompanying those proposals. As such the net revenue stream used in calculating the ratios above incorporates all grants included in the Authority’s Core Spending Power. This includes the Authority’s Social Care Grant allocation. In more recent years however use of this grant has been restricted to use in meeting adult and children’s social care needs. If this grant is excluded from the calculation of the net revenue stream the ratio totals for financial years 2024-25, 2025-26 and 2026-27 increase to 14.19%, 15.37% and 15.87% respectively.

## 5.2 Indicators required by the Treasury Management Code (sector guidance)

5.2.1 In addition to the indicators required by the Prudential Code there are also a number of treasury indicators required by the sector guidance for local authorities that accompanies the Treasury Management Code. These are:

- upper and lower limits to the maturity structure of its borrowing
- upper limits for long-term treasury management investments.

5.2.2 These treasury management indicators specify ranges (rather than targets) designed to limit the Authority’s exposure to liquidity and refinancing risks.

### Upper and lower limits to the maturity structure of borrowing

5.2.3 This indicator highlights potential exposures to refinancing risk arising from concentrations of debt falling due for refinancing and is designed to facilitate reductions in the Authority’s exposure to refinancing at times of volatile or high interest rates.

5.2.4 It is calculated as the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

**Table 13: Lower/upper limits on % borrowing maturing in each period**

	1.4.23 Actual  %	31.3.24 Forecast existing loans only  %	31.3.24 Forecast  %	2023-24		2024-25	
				Lower limit  %	Upper limit  %	Lower limit  %	Upper limit  %
Under 12 months	2.68	6.23	5.13	0	20	0	40
12 months to 2 years	6.03	0.48	18.11	0	40	0	40
2 years to 5 years	1.27	1.17	0.97	0	40	0	40
5 years to 10 years	8.32	14.40	11.85	0	40	0	40
10 years to 20 years	19.57	13.99	11.51	0	100	0	100
20 years to 30 years	10.47	21.41	17.61	0	100	0	100
30 years to 40 years	32.45	22.59	18.58	0	100	0	100
40 years to 45 years	15.37	15.78	12.99	0	100	0	100
45 years to 50 years	3.84	3.95	3.25	0	100	0	100

### Upper limits for long-term treasury management investments

5.2.5 A local authority that invests, or plans to invest, for treasury management purposes in fixed interest instruments for periods longer than a year, or in other instruments only appropriate for longer-term investment, is required to set an upper limit for each forward financial year period for the maturing of such investments. Longer-term instruments with no fixed maturity date include pooled bond, equity and property funds (but not money market funds), as well as directly held equities. Investments taken or held for service purposes or commercial purposes should not be included in this indicator.

5.2.6 The purpose of these limits for principal sums invested for periods longer than 365 days is for the local authority to contain its exposure to the possibility of loss that might arise as a result of its having to seek early repayment or redemption of principal sums invested.

5.2.7 The indicator is calculated as follows:

- total principal sum invested to final maturities beyond the period end for years one, two, three, etc.
- total amounts invested in longer-term instruments with no fixed maturity date.

**Table 14: Upper limits on long-term treasury management investments**

	<b>2023-24 Limit £000</b>	<b>2024-25 Limit £000</b>	<b>2025-26 Limit £000</b>	<b>2026-27 Limit £000</b>
Principal sums invested - fixed maturities	Lower of £4m and 10% of the portfolio at any time during the financial year			
Principal sums invested - investments with no fixed maturity date				

5.2.8 For its cash flow generated balances, the Authority will seek to utilise its call and notice accounts, money market funds and short-dated deposits (overnight to 12 months). The Authority will not invest for periods of more than 365 days during 2024-25.

### **5.3 Indicators not yet adopted (required from 2023-24)**

5.3.1 The following prudential and treasury management indicators have not yet been adopted:

- estimates of net income from commercial and service investments to net revenue stream
- the liability benchmark.

#### **Estimates of net income from commercial and service investments to net revenue stream**

5.3.2 Net income from commercial and service investments comprises net income from financial investments (other than treasury management investments), together with net income from other assets held primarily for financial return, such as commercial property. Costs netted-off gross income comprise investment management costs and any other direct revenue costs of investment. Borrowing costs (interest and MRP) are not be deducted for the purposes of this indicator, which is intended to show the financial exposure of the Authority to the loss of income.

5.3.3 Estimates for net revenue stream for current and future years are taken from the Authority's estimates of the amounts to be met from government grants and local taxpayers, using the equivalent figures from the Authority's original and revised budgets.



### Liability benchmark

- 5.3.4 The liability benchmark is a projection of the amount of loan debt outstanding the Authority needs each year to fund its existing debt liabilities, planned prudential borrowing and other cash flows. The liability benchmark is the combination of four balances:
- i. Existing loan debt outstanding i.e. the Authority's existing loans that are still outstanding in future years.
  - ii. Loans (borrowing) CFR calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP, taking account of approved prudential borrowing.
  - iii. Net loans requirement: the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
  - iv. Liability benchmark (or gross loans requirement) equal to the net loans requirement plus short-term liquidity allowance. Short-term liquidity allowance means an adequate (but not excessive) allowance for a level of excess cash to be invested short term to provide access to liquidity if needed (due to short-term cash flow variations, for example).
- 5.3.5 The liability benchmark provides a measure of how well the existing loans portfolio matches the Authority's planned borrowing needs. This is shown by the gap between the Authority's existing loans that are still outstanding at a given future date and the Authority's future need for borrowing (as shown by the liability benchmark). The liability benchmark identifies the maturities needed for new borrowing in order to match future liabilities and provides a mechanism for preventing future over-borrowing as well as a measure of financing or refinancing risk.
- 5.3.6 Work required to implement these remaining indicators is currently ongoing.

## 6. Appendices

- A. Interest Rate Forecasts 2024 - 2027
- B. Economic Background
- C. Credit Ratings
- D. Public Works Loan Board (PWLB) lending arrangements – effective from 26 November 2020

**Appendix A: Interest Rate Forecasts 2024 – 2027**

PWLB rates and forecast shown below have taken into account the 20bp certainty rate reduction from the new Standard Loan rate of 100bps over Gilts effective as of the 26 November 2020.

Link Group Interest Rate View	08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
<b>BANK RATE</b>	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
3 month av. earnings	5.30%	5.30%	4.80%	4.30%	3.80%	3.30%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
6 month av. earnings	5.20%	5.10%	4.60%	4.10%	3.70%	3.30%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	
12 month av. earnings	5.00%	4.90%	4.40%	3.90%	3.60%	3.20%	3.10%	3.10%	3.10%	3.10%	3.10%	3.20%	3.20%	
5 yr PWLB	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.50%	3.50%	3.50%	
10 yr PWLB	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.70%	3.70%	3.70%	3.70%	
25 yr PWLB	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%	4.20%	4.10%	4.10%	4.10%	4.10%	
50 yr PWLB	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%	4.00%	3.90%	3.90%	3.90%	3.90%	
<b>Bank Rate</b>														
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
Link Group	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Capital Economics	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	-	-	-	-	-	
<b>5yr PWLB Rate</b>														
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
Link Group	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.50%	3.50%	3.50%	
Capital Economics	4.50%	4.30%	4.20%	4.00%	3.90%	3.80%	3.80%	3.70%	-	-	-	-	-	
<b>10yr PWLB Rate</b>														
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
Link Group	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.70%	3.70%	3.70%	3.70%	
Capital Economics	4.50%	4.40%	4.20%	4.10%	4.10%	4.10%	4.10%	4.10%	-	-	-	-	-	
<b>25yr PWLB Rate</b>														
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
Link Group	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%	4.20%	4.10%	4.10%	4.10%	4.10%	
Capital Economics	5.10%	4.80%	4.60%	4.30%	4.40%	4.40%	4.50%	4.60%	-	-	-	-	-	
<b>50yr PWLB Rate</b>														
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
Link Group	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%	4.00%	3.90%	3.90%	3.90%	3.90%	
Capital Economics	4.70%	4.60%	4.50%	4.30%	4.30%	4.30%	4.40%	4.40%	-	-	-	-	-	

## Appendix B: Economic Background

### UK GDP

- B.1 Whilst concerns of a deep recession have largely receded, weakening global economic conditions, the lagged impact of higher interest rates and persistent inflation coupled with low productivity and policy uncertainty in the run up to a general election, are expected to provide significant headwinds to economic growth in the near term. As a consequence economic growth during 2024 is expected to be tepid at best.
- B.2 UK GDP growth weakened in 2023, with this weakness particularly pronounced in market sector output. This reflected the significant tightening of monetary policy implemented since the end of 2021 to contain the persistence of second-round effects on inflation as well as continued weakness in potential supply growth.
- B.3 Following growth of 0.3% quarter on quarter (q/q) in Quarter 1 (Q1) of 2023 and 0.0% (revised down from 0.2%) in Q2, UK gross domestic product (GDP) fell by 0.1% in Quarter 3 (July to Sept) 2023 (revised down from no growth). The contraction reflected broad-based falls across household consumption, business investment and housing investment. This represents the weakest performance in four quarters. Compared with the same quarter a year ago, real GDP is estimated to have expanded by 0.3% y/y in Quarter 3 2023, the same as in Q2. In output terms there was a 0.2% fall in the services sector, which offset a 0.4% increase in construction output and a 0.1% increase in the production sector.
- B.4 UK GDP in Q3 2023 was 1.4% higher compared to the pre-pandemic level of Q4 2019. This compares with Eurozone GDP being 3.0% higher, with GDP in France up by 1.7% and in Germany up by 0.3%. The other G7 economies had higher growth than the UK over this period, including the US where GDP was 7.3% higher.
- B.5 Monthly GDP declined further in October, falling by 0.3% (-0.1y/y) but rebounded in November 0.3 (+0.2 y/y), such that GDP is expected to have been broadly flat across 2023 Q4 as a whole.
- B.6 Overall, GDP growth is expected to remain subdued throughout 2024 as the drag from higher interest rates is protracted. However falling inflation and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025. In their November 2023 Economic and fiscal outlook, the Office for Budget Responsibility's (OBR) GDP growth forecast was 0.6% in 2023 and 0.7% in 2024. Meanwhile the Treasury's January 2024 survey of independent

forecasts showed an average forecasts for GDP growth of 0.4% for 2023 and 0.4% for 2024.

### **Inflation**

- B.7 Sharp rises in inflation during 2021 and 2022 saw CPI inflation peak at a 41 year high of 11.1% in October 2022 before easing back to 10.1 % in March 2023. Since then, CPI inflation has continued to fall during 2023 through a combination of statistical effects, falling energy prices, and other factors such as the easing of global cost pressures. However, despite this fall inflation remains well above the Bank of England's 2% target and given the continued persistence of services inflation - supported by strong pay growth - is not expected to return to target until 2025.
- B.8 The rise in inflation during 2021 and 2022 reflected, for the most part, the direct impact of large increases in global energy and other tradable goods prices, though services inflation also increased. The rise in global energy prices was exacerbated by the economic impact of Russia's invasion of Ukraine. It also contributed significantly to rises in the wholesale price of many agricultural and other tradeable commodities.
- B.9 However, even before the war, consumer prices were being pushed upwards by various global factors including the pattern of economic recovery from the worst of the pandemic, the rotation of consumer spending towards goods and away from services, and by supply constraints in certain sectors. Inflation was initially believed to be temporary. However, this succession of global shocks contributed to inflationary pressures in the UK being more persistent than expected.
- B.10 While global factors were the original drivers of high inflation not all of the excess inflation can be attributed to global events. Domestic factors, including a tight labour market and the pricing strategy of firms also contributed to the rise in inflation. Core services CPI inflation, which excludes volatile items such as food and energy, also rose significantly driven by the tight labour market and strong nominal pay growth.
- B.11 CPI inflation in the 12 months to October 2023 was 4.6%, down from 6.7% in both September and August, and below market expectations of 4.8%. This marked the lowest rate since October 2021 and reflected a large fall in the housing, electricity, gas and other fuels category which contributed 1.6 percentage points out of the overall monthly fall. This fall was due in part to the recent reduction in energy prices following Ofgem's decision to lower the cap on household bills. It also reflected the base effects of last Octobers sharp increase

- in energy prices dropping out of the annual comparison. On a monthly basis, the CPI was unchanged.
- B.12 The cost of housing and utilities fell by 3.5% (compared to a 6.9% increase in September), with both gas and electricity costs falling by the most since January 1989. Additionally, food inflation eased to 10.1%, the lowest since June 2022. Consumer prices have also slowed for transport (0.5% vs 0.7%), restaurants and hotels (7.5% vs 8.6%), furniture, household equipment, and maintenance (3.1% vs 3.7%), clothing and footwear (6.2% vs 6.9%), and miscellaneous goods and services (5.1% vs 5.3%).
- B.13 After rising from 6.2% in March 2023 to 6.8% in April and then to 7.1% in May (its highest rate since 1992), the core inflation rate eased to 5.7% in October, the lowest since March 2022.
- B.14 Services inflation rose during 2022, from 3.2% in January to 6.8% in December. After dipping to 6% in January 2023, it then ticked up again rising to 6.6% in February and March, 6.9% in April and 7.4% in May – the highest rate since 1992. The services inflation rate has since dipped below 7% in August (6.8%) and September (6.9%) before falling to 6.6% in October. Services prices are seen as less exposed to global factors and more dependent on domestic costs. Inflation in services is also considered to be more persistent than inflation in goods. Driven by a combination of high energy costs and labour costs, services inflation remains significantly higher than its pre-pandemic level (circa 2.5%) and is expected to remain elevated in the near-term.
- B.15 The forecasts contained in the Bank of England’s November Monetary Policy Report show a continued fall in CPI inflation in the near term, to around 4.75% in 2023 Q4, 4.5% in 2024 Q1 and 3.75% in 2024 Q2. This decline was expected to be accounted for by lower energy, core goods and food price inflation and, beyond January, by some fall in services inflation. In the MPC’s November report the most likely, or modal, projection conditioned on the market-implied path for the Bank Rate, was for CPI inflation to return to the 2% target by the end of 2025. It then falls below the target thereafter, as an increasing degree of economic slack reduces domestic inflationary pressures.
- B.16 There are however considerable uncertainties around the pace at which CPI inflation will return sustainably to the 2% target with the risks associated with the Bank’s modal inflation projection currently skewed to the upside. This primarily reflects the possibility of more persistence in domestic wage and price-setting, but also the increasing upside risk to inflation from energy prices given events in the Middle East. In the Bank’s most recent forecasts CPI inflation is projected to

fall temporarily to the 2% target in 2024 Q2 before increasing again in Q3 and Q4 to around 2.75% by the end of this year. It then remains above target over nearly all of the remainder of the forecast period, falling to around 2.3% in 2026 Q1 2026 and 1.9% in 2027 Q1.

- B.17 Services inflation was expected to remain elevated but broadly stable throughout 2023 Q4, before increasing temporarily in January 2024. Thereafter services inflation is expected to fall back gradually from February 2024 as wage growth moderates and non-labour input cost pressures ease.
- B.18 CPI inflation subsequently fell from 4.6% in October to 3.9% in November before rising unexpectedly to 4% in December 2023; the first time the rate has increased since February 2023. Meanwhile core CPI (excluding energy, food, alcohol and tobacco) rose by 5.1% in the 12 months to December 2023, the same rate as in November. The CPI goods annual rate slowed from 2.0% to 1.9%, while the CPI services annual rate increased from 6.3% to 6.4%.
- B.19 The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). This represents the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. This was below the 6.9% forecast in the Bank's November Monetary Policy Report with the data providing signs of easing in domestic inflationary pressures.

### **Labour Market**

- B.20 Whilst the labour market remains tight in a historical context, 2023-24 has seen evidence of a loosening in labour market conditions against a backdrop of monetary tightening and subdued economic activity. There is however a significant level of uncertainty regarding the strength of the labour market, with ongoing concerns over the quality of published data leading to significant changes to more recent employment, unemployment and economic inactivity statistics.
- B.21 Updated estimates from the ONS issued in early February 2024 indicate that over the last five months, the employment rate has remained broadly flat, while the unemployment rate may have fallen, offset by an increase in the rate of economic inactivity; however, some uncertainty remains in these estimates.
- B.22 The UK Employment Rate remained unchanged at 75.7% in the three months to September 2023, unchanged from the previous quarter (April to June). This was up from the 75.5% recorded in the in corresponding July to September of 2022

- but below the 75.9% recorded for Q1 of 2023. Employment levels increased by 54,000 in the last quarter and by 244,000 over the course of the last 12 months. However, the employment rate remains below the pre-pandemic level of 76.3%.
- B.23 In the three months to November 2023 the adjusted employment rate edged up from 75.7% to 75.8% (subsequently revised down to 75.0%).
- B.24 The unemployment rate (based on the ONS' experimental estimate of unemployment) for the three months July to September 2023 was 4.2%. This was unchanged from the previous quarter but 0.6 percentage points higher than the corresponding July to September period last year. Although the unemployment rate has risen over recent months, it still remains low in a historical context. In the Bank of England's November projections, the unemployment rate is expected to rise further over the forecast period increasing to 4.7% in Q4 2024, 5.0% in 2025 Q4 and 5.1% in 2026 Q4.
- B.25 In the three months September to November the UK adjusted experimental unemployment rate remained unchanged at 4.2%, although this has since been revised down to 3.9%.
- B.26 Whilst the rise in unemployment during 2023 was relatively muted, the impact of monetary policy tightening has been felt much more acutely on vacancies. In Q3 of 2023 (July to September) the number of vacancies fell to 981,000; a fall of 51,000 on the previous quarter (April to June) and a reduction of 263,000 on the same quarter last year. That is the first time it has fallen below 1m since July 2021. Although vacancies were still 180,000 higher than the pre-pandemic quarter (January to March 2020), they have been falling every quarter since April to June 2022, suggesting on-going loosening of labour market conditions.
- B.27 The number of job vacancies in the United Kingdom fell by 49,000 in the quarter to 934,000 in October to December 2023, suggesting that businesses are showing reluctance to hire permanent employees amid the ongoing economic uncertainty. This marks the 18th consecutive quarterly decline, setting the record for the longest consecutive run of quarterly falls ever recorded and reaching the lowest number of vacancies since April to June 2021. Vacancies decreased in 12 out of the 18 industry sectors, with the most significant decline observed in arts, entertainment, and recreation, as well as transport and storage. Year-on-year, total vacancies decreased by 226,000, reflecting a decline of 19.4%. However, they still stand 133,000 above the pre-coronavirus pandemic levels reported between January and March 2020.



- B.28 The ONS vacancies to unemployment ratio, a key measure of labour market tightness, has been falling since August 2022, reflecting both a steady fall in the number of vacancies and rising unemployment. In mid-2022, the number of vacancies was higher than the number of unemployed people (with a peak ratio of 1.1). In the period July to September 2023, that number had shifted to around 1.5 unemployed people for every vacancy (a ratio of around 0.7). From a figure of 0.68 in September the ratio has since fallen to 0.66 in October and 0.65 in November. Despite the steady downwards trajectory of the vacancies to unemployment ratio, it currently remains just above its 2019 Q4 level.
- B.29 One of the key reasons why the labour market has tightened since the pandemic is because of a marked increase in the number of people inactive in the labour market. Underpinning this increase in inactivity has been the rise in long-term sickness. The economic inactivity rate - those without a job and not actively searching for one - for the period July to September 2023 was unchanged from the previous quarter at an estimated 20.9%; 0.1 percentage points lower than the quarter January to March 2023 and 0.7 percentage points lower than the 21.6% inactivity rate for the corresponding July to September period last year. Whilst participation rates have recovered from earlier depressed levels the inactivity rate remains 0.7 percentage points higher than before the pandemic. The number of economically inactive people in July to September 2023 was 280,000 above pre-pandemic levels (December 2019 to February 2020).
- B.30 In the three months to November 2023 the economic inactivity rate was initially reported to have fallen slightly, from 20.9% to 20.8%. Inactivity fell by 4,000 from the three month period July to September and by 268,000 on the corresponding three month period of last year (September to November 2022). The inactivity rate for September to November was however subsequently revised up from 20.8% to 21.9%.
- B.31 Despite the cooling in labour market condition and an easing of pay growth in over the second half of 2023 pay growth remains elevated overall. Annual growth in regular pay (excluding bonuses) was 7.7% in July to September 2023. Although this was slightly down on the previous periods and the 8.5% peak reported in the period May to July, it was still among the highest annual growth rates since comparable records began in 2001. Annual growth in employees' average total pay (including bonuses) was 7.9% in July to September 2023. This represented one of the largest annual growth rates seen outside of the coronavirus pandemic period. However, this total growth rate was affected by

the civil service one-off non-consolidated payments made in July and August 2023.

- B.32 Annual average regular pay growth for the public sector was 7.3% in the period July to September 2023; the highest regular annual growth rate since comparable records began in 2001. For the private sector the recorded growth of 7.8%, was among the largest annual growth rates seen outside of the coronavirus (COVID-19) pandemic period, when the growth rate peaked at 8.4% in April to June 2021. Annual average total pay growth in July to September 2023 was 7.7% for the private sector and 8.6% for the public sector.
- B.33 In the three months to November of 2023, average weekly earnings including bonuses in the UK increased 6.5% year-on-year, the least in eight months and below market forecasts of a 6.8% rise. Wage growth slowed in both the public sector (6.6% vs 7.2% in the three months to October) and the private sector (6.4% vs 7.1% in the three months to October). Meanwhile, regular pay which excludes bonus payment, went up 6.6%, the lowest growth in ten months, below a 7.2% rise in the previous two periods and matching expectations.
- B.34 Despite continued high inflation real terms annual growth in earnings (adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH)) both including and excluding bonuses was positive. In the three months to November total pay (including bonuses) rose in real terms by 1.3% (July to September 1.4%) and by 1.4% for regular pay excluding bonuses (July to September 1.3%).
- B.35 Although the precise near-term path of pay growth remains uncertain, lower inflation expectations and a looser labour market are expected to lead to a further decline in pay growth during 2024 although rates are expected to remain high.

### **Bank Rate**

- B.36 The UK Bank Rate started 2023-24 at 4.25%. Subsequent increases during the first half of 2023-24 saw the rate rise to 4.5% in May, 5.00% in June and to a 15-year high of 5.25% in August as the Bank of England continued with its efforts to combat ongoing inflationary pressures.
- B.37 After 14 consecutive rises the Bank of England's Monetary Policy Committee voted, by a majority of 5-4, to maintain the Bank Rate at 5.25% at its meeting on 20 September 2023. Four members preferred to increase the Bank Rate by 0.25 percentage points to 5.5%. The Committee also voted unanimously to reduce the stock of UK government bond purchases held for monetary policy purposes,

and financed by the issuance of central bank reserves, by £100 billion over the next twelve months, to a total of £658 billion. Given the weak August CPI inflation release, a loosening in labour market conditions and the downbeat activity surveys this appeared to have convinced the Bank of England that it has already raised rates far enough.

- B.38 The minutes of the September meeting were little changed from those from August, in repeating the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long". Like the US Federal Reserve, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again stated that "...if there were to be evidence of more persistent pressures, then further tightening in monetary policy would be required."
- B.39 The aim of this narrative appears to reflect the Bank's desire to ensure the markets do not decide that a peak in rates will be soon followed by rate cuts and that looser financial conditions, with the potential to undermine its attempts to quash inflation through monetary tightening, do not materialise. This point was underlined by the comments made by Bank's Governor after the September meeting in which he stated that while the MPC has paused, it was not inevitable that a cut would soon follow, stressing that "we have not had any discussion on the Monetary Policy Committee about reducing rates because that would be very, very premature". The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at a future meeting.
- B.40 The minutes of the September meeting suggested the Committee expected services inflation to be volatile over the coming few months, while it also seemed to play down the impact of the recent surge in pay growth, saying that the headline measure appeared inconsistent with other wage metrics. This may indicate the Committee now has greater tolerance to data surprises, which could add to expectations that rates have peaked.
- B.41 At its next meeting on 1 November 2023, the MPC again voted to keep the Bank Rate unchanged at 5.25% for a second consecutive time. However, unlike the Federal Reserve's unanimous decision the previous day, the vote was more balanced at 6-3. Three members preferred to increase the Bank Rate by 0.25 percentage points, to 5.5% to counteract on-going inflationary pressures.
- B.42 In terms of messaging there was no dovish shift in the accompanying guidance with the Bank once again stating that "further tightening in monetary policy would

be required if there were evidence of more persistent inflationary pressures”. On this it cited the recent rise in global bond yields and the upside risks to inflation from “energy prices given events in the Middle East”. So, like the Federal Reserve, the Bank of England appeared to be keeping the door open to the possibility of further rate hikes. It also repeated the phrase that policy will be “sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term”. Meanwhile a new addition to the guidance, underlining the Bank’s commitment to policy maintenance, stated that the “MPC’s projections indicate that monetary policy is likely to need to be restrictive for an extended period of time”. Indeed, The Bank’s Governor was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.

- B.43 Overall, the meeting underlined market views that policy rates have peaked, given there was little in the report to counter the previously held view that the Committee has a greater tolerance to upside data surprises. However, while the next move is expected to be a cut, this may not materialise until the latter stages of 2024, with the Bank’s Governor reiterating that it was "much too early to be thinking about rate cuts". In terms of market reaction, gilt yields pulled lower, while market rate expectations for the second half of next year also eased, given that many believe that the economic outlook painted by the Bank remains too optimistic.
- B.44 As widely expected, the Bank of England's MPC kept the Bank Rate unchanged at 5.25% for a third consecutive time at its December meeting. As in November, and in contrast to the US Federal Reserve's unanimous decision, the vote was more balanced at 6-3, with the three dissenting votes still favouring a further tightening (as concerns about “sticky” inflation remained in place). Adding to the divergence between the two central banks, the Federal Reserve's dot plot suggested no member expected policy rates to be tightened further, with a median expectations of three cuts for 2024.
- B.45 In contrast, the MPC continued to push back against what it evidently sees as sterling market over exuberance for possible rate cuts in 2024. In the minutes of the December meeting the Bank maintained its hawkish tone by repeating the message that “further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures”. It also reiterated that policy will be “sufficiently restrictive for sufficiently long” and that “monetary policy is likely to need to be restrictive for an extended period of time”. In other words, the message is that the MPC is not yet willing to endorse investors’ expectations that rates will be cut as soon as May 2024.

- B.46 At the time of the meeting, the Bank did not appear to have taken any comfort from subsiding price pressures in the US and the Eurozone. The Bank also downplayed the softer-than-expected wage and inflation figures since its November meeting, stating in relating to earnings growth that "...it is important not to over-interpret developments in any one measure". The minutes of the December meeting also stated the MPC's view that "it was too early to conclude that services price inflation and pay growth were on a firmly downward path". Adding that "both of these metrics of inflation persistence remained higher than in other major advanced economies, possibly reflecting less favourable supply-side developments and stronger second-round effects in the United Kingdom". These second-round effects "were likely to be slow to unwind and, with the labour market still tight, the extent to which wage and price-setting would take account of the downward path of CPI inflation was not clear. The risks to CPI inflation in the medium term remained skewed to the upside including from events in the Middle East."
- B.47 Overall, the tone was similar to that of previous meetings, with the strong suggestion that the Committee is concerned that if markets push too far, too fast on rate cut expectations, then this could undo much of the work on trying to squeeze inflation out of the economy. As noted by the Bank's Governor in his post meeting statement, "...there is still some way to go" in the fight to control inflation.
- B.48 Despite the Banks hawkish bias the forecast reductions in CPI and core inflation over the first half of 2024 suggests rates will be cut sharply in the second half of 2024 if not before.
- B.49 Since the MPC's December rate decision, the Bank's hawkish bias has also not prevented the markets from forming a view that rates will be falling soon. Accordingly, swap rates and gilt yields have reduced significantly during December despite a partial rebound upwards since the turn of the year. Q3 also saw a steady fall in 10-year gilt yields as investors revised their interest rate expectations lower. The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained
- B.50 Current market expectations for cuts this year have lost some impetus since the start of the year, with stronger than expected inflation figures weighing in particular. Having begun the year with some chatter over a cut in March, this has now been progressively pushed out, first to May and now to June as the uptick in

inflation outweighed both the sharp fall in wage increases seen in the latest employment print, and December's weak retail sales

- B.51 The Purchasing Managers Index, (PMI) figures for November and December of 50.7 and 51.7 in December, have added to the recent shift higher in rate expectations, which has seen a June move increasingly called into question. In a similar vein, the next move down to 4.75% is not fully priced in for August, with September now in focus, while a further cut to 4.5% now only fully priced in for November. Thereafter, markets are also wavering over whether December will see a further cut, to 4.25%.
- B.52 On the investment front, the decision to pause for a third consecutive at the MPCs December meeting and the subsequent shift lower in market sentiment has added further downside pressure on longer-term market rates. However, some of this downside pressure has been reversed, ebbing and flowing as changes to market sentiment remain somewhat volatile.

## Appendix C: Credit Ratings

### International long-term credit ratings

Fitch	Moody's	Standard & Poor's	Definition
<b>Investment Grade</b>			
AAA	Aaa	AAA	Highest quality/Best quality/Extremely strong
AA	Aa	AA	Very high quality/High quality/Very strong
A	A	A	High quality/Upper medium grade/Strong
BBB	Baa	BBB	Good quality/Medium grade/Adequate
<b>Non-investment/speculative grade</b>			
BB	Ba	BB	Speculative/Lower medium grade/Speculative-less vulnerable
B	B	B	Highly speculative/Low grade/More vulnerable
CCC	Caa	CCC	Poor quality/Currently vulnerable
CC	Ca	CC	High default risk/Highly speculative/Currently highly vulnerable
C	C	C	High default risk/Extremely poor/Imminent default
D		D	In default

**Note:** Fitch Ratings and Standard and Poor's ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Moody's append numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa to denote relative status.

### International short-term credit ratings

Fitch	Moody's	Standard & Poor's	Definition
<b>Investment Grade</b>			
F1+	Prime-1	A-1+	See Long term ratings AAA to A (Highest Quality/ Superior/Strong ability to repay short-term debt obligations)
F1		A-1	
F2	Prime-2	A-2	See Long term ratings A- to BBB+ (Good/Strong/Satisfactory)
F3	Prime-3	A-3	See Long term ratings BBB to BBB- (Fair/Acceptable/Adequate)
<b>Non-investment/speculative grade</b>			
B	Not Prime	B	Speculative/ Not Prime/ Speculative
C	-	C	High default risk/ - / Vulnerable
D	-	D	Default/ - /Default

**Appendix D: Summary of Public Works Loan Board (PWLB) lending arrangements  
- effective from 26 November 2020**

- D.1 The Public Works Loan Board (PWLB), is an internal function of HM Treasury  
The purpose of the PWLB is to offer long-term, affordable loans to support local authority investment in service delivery, housing, economic regeneration, treasury management, and financial intervention action (previously known as preventative action), under the prudential regime.
- D.2 Changes to the PWLB's lending terms, effective from 26 November 2020, mean that while the PWLB will continue to support service spending, housing, economic regeneration, financial intervention action, and treasury management (including refinancing), it will no longer lend to local authorities that plan to buy investment assets primarily for financial return. The latest revision to the PWLB's Lending terms was published on 23 November 2023.
- D.3 Local authorities are permitted to borrow for planned capital expenditure ahead of the need for cash in order to reduce financing and interest rate risks, as long as it is done in accordance with prudent treasury management principles. However, and in line with the Prudential Framework, HMT expects local authorities to only borrow the amount needed to finance capital expenditure and not borrow extra amounts purely to invest and make a financial return. The PWLB may not approve new loans if there is evidence that the local authority is engaging in this practice.
- D.4 All ongoing capital expenditure committed to from 26 November 2020 must comply with the PWLB's lending terms in order to access PWLB borrowing. However, any transaction or project (including those categorised as investment assets bought primarily for financial return) commenced or contractually agreed to proceed on or prior to 26 November 2020 will not affect access to the PWLB. Access to the PWLB is similarly unaffected affected by capital expenditure to maintain existing commercial properties.
- D.5 Under the PWLB's lending terms a local authority planning to acquire investment assets bought primarily for financial return in any of the three years covered by its capital expenditure and financing plans (i.e. capital expenditure and financing plans for the current financial year and two subsequent financial years), will not be permitted to borrow from the PWLB. This restriction applies regardless of whether the transaction would notionally be financed from a source other than the PWLB.



- D.6 Following changes made to the PWLB's lending terms in June 2023 where, despite these lending terms an authority acquires an investment asset primarily for financial return after 15 June 2023 it will not be able to access the PWLB in the financial year in which the transaction takes place and the following financial year. The Authority will also not be permitted to use the PWLB to refinance this transaction at any point in the future. Prior to the change in the lending terms in June 2023 the restriction in access to the PWLB applied only in the year of acquisition and to any refinancing of the transaction at any point in the future.
- D.7 Following this period of restriction, the authority may resume borrowing from the PWLB provided no further investment primarily for financial return is undertaken and subject to the restriction on the use of the PWLB to refinance any borrowing used to acquire an investment that was, at the time of purchase, primarily for financial return.
- D.8 Investment assets bought primarily for financial return (previously known as investment assets bought primarily for yield) are assets that serve no direct policy purpose but are held primarily to generate an income. An 'investment asset' includes a capital or property asset, or interest or right that generates a balance sheet asset (such as, but not limited to a loan, sale and leaseback agreement).
- D.9 Investment assets bought primarily for financial return would usually have one or more of the following characteristics:
- a. buying land or existing buildings to let out at market rate
  - b. buying land or buildings that were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification
  - c. buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly
  - d. buying a speculative investment asset (including both financial and non-financial assets) that generates yield without a direct policy purpose.
- D.10 Individual projects and schemes may have characteristics of several different categories. In such cases, the section 151 officer or equivalent of the authority is required to exercise their professional judgment to assess the main objective of the investment and consider which category is the best fit. Responsibility for assessing whether a project complies with the terms of the PWLB lending guidance rests with the authority's section 151 officer.

- D.11 The PWLB’s lending terms do not prevent local authorities from making a significant investment to improve and/or change the use of an asset not owned by the authority where it serves a direct policy purpose. Local authorities may also deliver policy objectives through a third party (such as a housing authority, joint vehicle or joint venture with a private sector investor, local authority-owned company etc.). If a local authority wishes to deliver policy objectives jointly (such as through an equity investment in a joint company) or on-lend money to deliver objectives in an innovative way, that spending must be reported in the most appropriate category (service spending, housing, economic regeneration, financial intervention, or treasury management) based on the eventual use of the money.
- D.12 Further details of the categories that between them cover all acceptable capital activity if the local authority wishes to borrow from the PWLB, i.e. (i) service spending, (ii) housing, (iii) regeneration, (iv) financial intervention (previously known as preventative action), (v) treasury management, are set out in the following table.

**Categories of capital expenditure consistent with accessing PWLB loans**

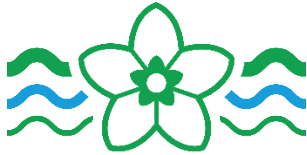
<b>Category</b>	<b>Description</b>
<b>Service Spending</b>	<p>Expenditure on assets that form part of the authority’s public service delivery. This consists of activity that would normally be captured in the following areas of the DLUHC Capital Outturn Return (COR): education, highways &amp; transport, social care, public health, culture &amp; related services, environmental &amp; regulatory services, police, and fire &amp; rescue services and central services.</p> <p>The COR is not an exhaustive list and the section 151 officer can categorise similar items of expenditure as service delivery, even if they are not normally captured in the COR.</p> <p>Expenditure on an asset that is held primarily to generate an income which is used to support wider service spending, but serves no direct policy purpose, <b>should not</b> be categorised as service delivery.</p>
<b>Housing</b>	<p>Activity normally captured in the HRA and General Fund housing sections of the COR, or housing delivered through a local authority housing company. This is given separately from ‘service spending’ because of the relative concentration of cross-subsidy and other innovative financing arrangements in housing projects.</p> <p>Housing can include all spending on delivering new homes, maintaining or improving existing homes, and purchasing built homes to deliver housing services. This is the case irrespective of the financial arrangements of the housing project or housing delivery. However, the government expects that the location and value of any housing expenditure be appropriate to meet the local authority’s housing needs and to have a tangible impact within the local authority’s borders.</p>
<b>(Economic) Regeneration</b>	<p>Regeneration involves direct investment in assets to generate additional social or economic benefits, Regeneration projects would usually have <u>one or more</u> of the following characteristics:</p> <p>a. the project is addressing an economic or social <b>market failure</b> by</p>

Category	Description
	<p>providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector</p> <p>b. the local authority is making a significant <b>investment</b> in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment</p> <p>c. the project involves or generates significant <b>additional</b> activity that would not otherwise happen without the local authority’s intervention, creating jobs and/or social or economic value</p> <p>While some parts of a regeneration project may generate rental income, these rents should be <b>recycled within the project or applied to related regeneration projects</b>, rather than being applied to wider services.</p>
<p><b>Financial Intervention Action (formerly Preventative Action)</b></p>	<p>Financial intervention action involves direct financial support to local companies or acquiring assets as a way to protect jobs, prevent social or economic decline. In contrast to regeneration, preventative action is concerned with preserving existing activity as opposed to creating additional activity but is not an ‘investment asset bought primarily for financial return’ as yield is not the primary motive of the activity. .</p> <p>Financial intervention action would have <u>all</u> of the following characteristics:</p> <p>a. the intervention <b>prevents a negative outcome</b>, such as by buying and conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease</p> <p>b. there is <b>no realistic prospect of support</b> from a source other than the local authority</p> <p>c. the local authority has an <b>exit strategy</b>, and does not propose to hold the investment for longer than is necessary to achieve the objectives that justified the intervention</p> <p>d. the intervention takes the form of grants, loans, sale and leaseback, equity injections, or other forms of business support <b>that generate a balance sheet asset</b>.</p> <p>This category can also be used for taking up rights issuances of new shares, where a local authority jointly owns a company with private investors, where it does not better fall into one of the alternative categories. The Government does not anticipate that local authorities would spend significant sums on Financial intervention action. Local authorities that are considering such action should ensure they have assessed the compliance of the proposed action with all relevant subsidy control provisions in domestic and international law.</p>
<p><b>Treasury management</b></p>	<p>Treasury management includes refinancing or extending existing debt from any source, the externalisation of internal borrowing or borrowing to manage cash flow.</p> <p>The PWLB will lend for <b>refinancing</b> even if the local authority is planning activity that makes them otherwise ineligible for PWLB support.</p> <p>However local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans.</p> <p>Investments in commercial property or speculative financial instruments are not considered treasury management.</p>

- D.13 Under the PWLB's lending arrangements, an authority wishing to borrow from the PWLB, must submit a high-level description of its capital spending and financing plans for the current financial year and two subsequent financial years, including its expected use of PWLB borrowing. Local authorities will be able to revise these plans in-year as required. Plans, submitted in a return through DLUHC's online data collection system (DELTA) are required to include:
- a) the amount of planned new long-term (more than one year) borrowing
  - b) the amount of planned capital expenditure that will be financed by borrowing
  - c) further information about the planned capital expenditure (whether financed through borrowing or other sources) including
    - the amount of planned annual capital expenditure in each category which between them cover all acceptable capital activity if the local authority wishes to borrow from the PWLB i.e. (i) service spending, (ii) housing, (iii) regeneration, (iv) financial intervention, (v) treasury management
    - a short description of the main projects in each of these categories covering at least 75% of the spending in that category
  - d) an assurance from the section 151 officer or equivalent that the local authority does not intend to buy investment assets bought primarily for yield.
- D.14 Submission of an updated return to DLUHC is required where previously submitted capital spending and financing plans are no longer considered current. This includes circumstances where:
- the authority has committed to any significant new items of capital expenditure or removed any significant items of capital expenditure since the return was last submitted,
  - the amounts for planned new long-term borrowing or planned capital expenditure that will be financed by borrowing has changed by more than 10%, or
  - the Authority's borrowing plans have been submitted for re-approval by the council or another delegated authority.

- D.15 When applying for a new loan, the authority will be required to confirm that:
- the submitted capital spending and financing plans remain current
  - they are not planning to use the PWLB to refinance any investment assets bought primarily for financial return transactions which were made after 26 November 2020.
- D.16 If the authority cannot provide both of these assurances, the loan application will be rejected.
- D.17 The application process also requires confirmation of the assurance, that the Authority does not intend to buy investment assets primarily for yield, remains valid. Where a local authority cannot provide this assurance then, unless the authority is borrowing for refinancing or the externalisation of internal borrowing, the loan application will be rejected. This does not include the refinancing of any investment assets bought primarily for financial return transactions which were made after 26 November 2020.
- D.18 If the government has concerns before a loan is issued, over whether a planned transaction is an acceptable use of the PWLB, HM Treasury will suspend advance of the loan pending further review.
- D.19 If it subsequently concludes that the project is an inappropriate use of the PWLB, the government may ask the authority to cancel the project as a condition of accessing the PWLB. The authority may also, as a condition of ongoing access to the PWLB, be required to provide additional information about their future capital plans to assure the government that the plans do not contain any other activity that would not be an appropriate use of PWLB support. If the local authority refuses to give these assurances, they will not be allowed to borrow from the PWLB.
- D.20 If HM Treasury concludes that a transaction in question which has already concluded (and was agreed after 26 November 2020) was not an appropriate use of the PWLB, HM Treasury:
- i. as a condition of ongoing access to the PWLB, will require the authority to provide additional information about their future capital plans, to assure the government that the plans do not contain any other activity that would not be an appropriate use of PWLB support
  - ii. may offer the authority a higher interest rate on their PWLB loan

- iii. may require borrower to agree a plan to unwind the transaction to a reasonable timetable as a condition of the loan being approved, where the transaction was in clear breach of the rules.
- D.21 If the local authority refuses to agree to any requirements they may not be allowed to borrow from the PWLB.
- D.22 If after a loan is issued, HM Treasury concludes that a transaction was not an appropriate use of the PWLB (and was agreed after 26 November 2020), and that the information provided in the application to the PWLB was materially incorrect or misleading, HM Treasury may:
- i. as a condition of ongoing access to the PWLB, require the local authority to provide additional information about their future capital plans, to assure the government that the plans do not contain any other activity that would not be an appropriate use of PWLB support
  - ii offer the authority a higher interest rate on future PWLB loans
  - iii. require that the borrower agree a plan to unwind the transaction to a reasonable timetable.
- D.23 HMT also retains the right to require the borrower to repay a PWLB loan in full (including any applicable exit charges) in cases where there is a clear breach of the rules.
- D.24 The full text of the PWLB's lending criteria can be found on the PWLB website at <https://www.dmo.gov.uk/responsibilities/local-authority-lending/lending-arrangements/>



**Cumberland  
Council**

# **Treasury Management Policy Statement**

### Introduction

- (i) The Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 Edition) (the Treasury Code) recommends that public service organisations put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- (ii) The policy statement which follows sets out the Council's policies, objectives and approach to risk management of its treasury management activities. The manner in which the Council will seek to achieve those policies and objectives, and how it will manage and control its treasury activities, are set out in the Council's Treasury Management Practices (TMPs).
- (iii) The content of the Council's policy statement follows the recommendations contained in sections 6 of the Treasury Code subject only to amendments necessary to reflect the particular circumstances of the Council. These amendments will not result in the Council materially deviating from the Code's key principles.



## Treasury Management Policy Statement

1. This Council defines its treasury management activities as:  
*The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.*
2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council and any financial instruments entered into to manage these risks.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council's primary policy objective in relation to its investment activity is the security of principal sums it invests in priority to liquidity (second) and yield (third). The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity and its risk appetite. Yield will only determine investment decisions when deciding between two or more investments satisfying security and liquidity objectives.
5. The Council will seek to minimise the cost of borrowing and create stability and certainty of its debt servicing costs whilst retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. The Council will achieve this through the prudent use of fixed-rate and variable rate debt instruments. It will also seek to take advantage of opportunities to reschedule its debt portfolio to generate savings in interest costs and address risk exposures.
6. The Council will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

7. Full Council will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs.
8. Under the Council's Constitution the Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs, and if they are a CIPFA member, CIPFA's Standard of Professional Practice on treasury management.
9. As set out in Part 2 of the Council's Constitution (Responsibility for Functions), the Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Catherine Bell  
Chief Finance Officer (s151 Officer)  
February 2024



## Report to Cumberland Council

Meeting Date: 6<sup>th</sup> March 2024

Key Decision: Yes

Public/Private: Public

Portfolio: Councillor Barbara Cannon, Finance and Assets Portfolio Holder

Directorate: Resources

Report Author: Catherine Bell, Chief Finance Officer, S151 Officer

**Title – Budget 2024-25 and Medium-Term Financial Plan**

### Summary:

This report sets out the draft budget 2024-25 and medium-term financial plan for Cumberland Council.

### Recommendations:

#### It is recommended that Council:

- Approve the General Fund net revenue budget for 2024-25 of £319,014,005, as outlined in Appendices A to G.
- Note the position on Directorate budgets, and delegate any final amendments between Directorates to the Section 151 – Appendix J.
- Approve the calculation of the Authority's Council Tax Base for the financial year 2024-25, including determining the appropriate council tax discounts, of 89,966.79.
- Approve the determination to introduce a second home Council Tax premium of up to 100% with effect from 1<sup>st</sup> April 2025, in accordance with the requirements of The Levelling up and Regeneration Act.

- Approve that the Housing Benefit and Council Tax Reduction Scheme assessments are determined in accordance with the Modified Scheme provisions, under which a 100% voluntary disregard is applicable of War Disablement Pensions, War Widows Pensions and War Widowers' Pensions, under Section 134(8) and 139(6) of the Social Security Administration Act 1992.
- Approve Band D Council Tax in 2024-25 of £1,816.80 for Cumberland Council which represents an increase of 4.99% on Council Tax levied across the Cumberland area (2.99% increase in core council tax and 2% Adult Social Care precept).
- Delegate the approval of fees and charges to the S151, in consultation with the PH Finance and assets, to ensure they are set in line with the approved fees and charges policy.
- Approve the capital programme as set out in Appendix H
- Notes the consultation feedback on the budget as set out in Appendix I
- Notes the S25 statement of the Chief Finance Officer as set out in Section 12 and the risk-based assessment of the level of General Fund Balances

## Tracking

Executive:	13 February 2024
Scrutiny:	
Council:	6 March 2024

## 1. Background

- 1.1. The purpose of this report is to recommend the Council's proposed Budget for 2024-25 and the transformation plans for 2024-25 to 2026-27 and asks Members to recommend to Council approval of the proposals.
- 1.2. These budget proposals are prepared using the detail of the provisional Local Government finance settlement announced in December 2023 and the Written Statement on 24th January 2024.
- 1.3. The council's proposed budget has been presented to Scrutiny for review and has also been used as a basis for wider public consultation.
- 1.4. The funding available to local authorities, and the way this is used, is influenced by factors at a regional and national level. This budget is produced during

Cumberland Council's first full year of operations and at a time when it is facing significant challenges. These include predominant influences from the global and national economy, including the cost of living, national policy, and government announcements.

- 1.5. The proposals present a balanced budget for 2024-25 with savings proposals totalling £37.610m, equivalent to circa 11% of the 2024-25 Net Service Expenditure budget.
- 1.6. The Council continues to face significant challenges to its financial sustainability and the scale of this financial challenge should not be underestimated. The level of savings and transformation required will require a clear focus on priorities, robust financial management and strong decision making.

## **2. About Cumberland – Local Context**

- 2.1. Cumberland Council covers an area of stark contrast. It is home to some of the world's most stunning rural and coastal landscapes, but it also has areas in our city and towns that are in need of renewal.
- 2.2. The local economy contains strong agricultural and tourism sectors, and a manufacturing economy that boasts some of the most famous brands in the world. It also is an economy of small businesses, but also hosts the largest nuclear site in Europe.
- 2.3. Household earning in some areas are amongst the highest in the north west, but we have pockets of real deprivation and have more households living in fuel poverty than the national average.
- 2.4. The area is one of the best places to visit, boasting two world heritage sites, an area of outstanding natural beauty and world class attractions that draw in millions of visitors.
- 2.5. The area of Cumberland is one of the safest places to live, but our increasingly diverse population is aging and declining. The cost of housing in some areas is amongst the lowest cost in the country, but we have issues with affordability and the availability of houses for social rent.
- 2.6. The cost-of-living crisis and recovery from Covid has affected everyone but there are real opportunities created by our people, environment, and our businesses to make our area work for the benefit of all.
- 2.7. The Cumberland Plan 2023-2027 sets out the ambitions for the Council in five strategic themes:
  - Improving Health and Wellbeing
  - Addressing inequalities
  - Local economies that work for local people

- Environmental resilience and climate emergency
  - Delivering excellent public services
- 2.8. In the first months of the Council the focus has been on integrating four councils into one, and stabilising the organisation to ensure that our services continue to be delivered effectively for all of our communities.
- 2.9. The significant financial challenges facing Local Government are a national concern and we have felt the impact on our current year's budget position, as noted in the quarter 1 and quarter 2 monitoring position reported to Executive.
- 2.10. The demand on our services has continued to grow beyond the levels anticipated when our first budget was developed. The greatest pressure is in social care, where demographic changes are showing increased numbers of elderly residents requiring care, and an increase in the number of children with complex needs.
- 2.11. The increased demand, and increased cost of meeting this demand and providing services has resulted in some significant budget pressures in 2023-24 and subsequent years.
- 2.12. In producing the 2024-25 budget and Medium-Term Financial Plan, work has been undertaken to address these pressures.

### **3. National and Economic Context**

#### **2023 Autumn Statement**

- 3.1. The Autumn Statement was announced by the Chancellor on 22nd November 2023, along with this, the Office for Budget Responsibility (OBR) published its economic and fiscal outlook which sets out their forecast to 2028-29. The statement sets out the Government's focus on its three key economic priorities of reducing inflation, economic growth and reducing debt for both 2024-25 and the medium term.
- 3.2. The Autumn Statement provides a high-level view on the overall position and expectation of the economy but also highlights national funding streams that will be utilised to seek to deliver again the Government's policy objectives.
- 3.3. Economic growth has been more resilient than previously anticipated with higher than forecast levels of growth in the current year at 0.6%, but with expected growth over the medium-term forecast at a slower rate than previously thought (OBR November 2023) due, in part, to the impact of higher interest rates.

- 3.4. Inflation rates have also been persistently higher than originally anticipated in the first part of the year, with CPI reducing from a high of 11.1% in October 2022 to 4.6% in October 2023, driven by reductions in energy rates but offset in part by more domestically fuelled service inflation rates including wages inflation. Higher domestically driven inflation improves the outlook for the national public finances driving increased tax revenues but offset by increased welfare costs and debt interest. Inflation rates are not expected to return to the 2% target over the medium term until the second quarter of 2025 (OBR November 2023).
- 3.5. Announced as part of the Autumn Statement was the extension of the business rates support package including the freezing of the SBBR for an additional year and the extension of the Retail Hospitality and Leisure discount. The standard multiplier will be inflated in line with September CPI (6.7%) with local authorities being fully compensated for loss of income including additional administrative costs.
- 3.6. The government also announced, as part of a number of housing and planning measures, planning system reform allowing local authorities to recover the full cost of major planning applications in return for ensuring target deadlines are met with the risk of refunding in full where not achieved.
- 3.7. As part of a number of work-related measures, national living wage will increase by 9.8% to £11.44 along with the lowering of the age threshold from 23 years to 21 years.
- 3.8. Whilst there were a number of announcements made in the Statement, there was no reference to major changes in departmental spending limits and therefore local government funding streams nor the national picture of Council's facing significant inflationary and demand increases. This created uncertainty for the Council in terms of the government funding that has been assumed within the draft budget position. Further details were announced when the provisional local government finance settlement was announced.

#### **Local Government finance report and provisional settlement 2024-25**

- 3.9. The provisional local government finance settlement for 2024-25 was issued on 18 December 2023 following a written ministerial statement to the House of Commons by the Secretary of State for Levelling Up, Housing and Communities (DLUHC). It sets out the distribution of centrally allocated resources for local authorities in England. The final 2024-2025 settlement is expected to be laid before the House of Commons in February 2024.
- 3.10. Publication of the 2024-25 settlement follows publication of a policy statement, covering the remaining year of the spending review report period, on 5th December, and the Autumn Statement on 22nd November.

## **Local government finance policy statement 2024 to 2025**

- 3.11. The Policy statement issued on 5 December announced the key principles that ministers intended to use in the provisional settlement.
- 3.12. Key announcements included in the Policy Statement include:
- Revenue Support Grant will increase in line with the Consumer Price Index (CPI) of inflation.
  - Baseline funding levels (BFLs) will be indexed in line with the methodology set out in the technical consultation earlier this autumn. This method will differentiate between the tax base subject to the small business multiplier (which was frozen) and the main multiplier. For 2024 to 2025, BFLs will increase to reflect the uprating of the standard multiplier. This will be done by using proxy data from the Valuation Office Agency's compiled local rating list, published on 3 April 2023.
  - Councils will be compensated for the business rates multiplier freeze with the intention that the total of the Baseline funding level and the compensation grant will increase by 6.7%.
  - The government will continue to protect local taxpayers from excessive council tax increases with the proposed referendum principles for 2024-25 being:
    - a core council tax referendum limit for local authorities of up to 3%.
    - a council tax referendum principle of up to 3% or £5, whichever is higher, for shire district councils.
    - an adult social care precept of 2% for all authorities responsible for adult social care services.
    - a council tax referendum principle of £13 for police authorities.
    - the core council tax principle of up to 3% will apply to fire and rescue authorities; and
    - no council tax referendum principles for mayoral combined authorities or town and parish councils, but the government will review the decisions taken by these authorities when considering referendum principles in future years.
  - confirmation of the adult social care funding package announced in December 2022, as well as reflected the new Market Sustainability and Improvement Fund (MSIF) – workforce fund which was announced in July 2023 and continues into 2024/25. The table below sets out information about all the social care funds covered by core spending power.



**Table 1: Adult social care funding in the 2024-25 local government finance settlement (national totals)**

<b>Element</b>	<b>2023-24 £m</b>	<b>2024-25 £m</b>	<b>Comment</b>
Social Care Grant	3,852	4,544	Additional £692m will be distributed to local authorities through the Social Care Grant for adult and children's social care. This will bring the overall size of the Social Care Grant to £4,544m. The distribution mechanism will continue to equalise against the adult social care precept.
Discharge Fund	300	500	Additional £200 million will be distributed in 2024 to 2025 through the Discharge Fund to support timely and safe discharge from hospital into the community by reducing the number of people delayed in hospital awaiting social care. This will bring the overall size of the local authority component of the Discharge Fund to £500 million. This is 50% of the funding announced for this purpose at the 2022 Autumn Statement – NHS England will receive the other 50%. Funds will have to be pooled through the Better Care Fund process. The local authority share of the funding will be routed as an increase to the improved Better Care Fund, for which the current distribution will remain.
Ringfenced grant to support capacity & discharge	927	1,050	£1,050m in 2024 to 2025 will be distributed for adult social care through the Market Sustainability and Improvement Fund (MSIF), which continues to include £162m per year of Fair Cost of Care funding. It also includes £205 million MSIF - Workforce Funding, a 2-year fund announced in July 2023 which will be rolled into the existing MSIF. In total, the combined MSIF and MSIF Workforce Fund are worth £123m more than in 2023 to 2024.
Improved Better Care Fund	2,140	2,140	No change.
<b>Total</b>	<b>7,219</b>	<b>8,234</b>	

- 3.13. The policy statement confirmed that the Department of Health and Social Care will continue to monitor local authority budgeting and expenditure in 2024-25, with an expectation that the following will be allocated to adult social care:
- an appropriate share of the local authority's additional Social Care Grant allocation for 2024-25, in line with aggregate use of this funding in previous years
  - the local authority's share of the 2024-25 MSIF and Discharge Fund
  - the resources raised in 2024-25 from the adult social care precept.
  - an appropriate share of the increase in income from un-hypothecated sources.
- 3.14. The policy document also included the following announcements relating to grant funding:
- a continuation of the funding guarantee to ensure all authorities see an increase in core spending power of at least 3%, before additional council tax income as a result of council tax level decisions is factored in.
  - a new round of New Homes Bonus (NHB) payments will be made in 2024-25. As in 2023-24 these payments will not attract new legacy payments.
  - a reduction in Services Grant allocations.
  - a continuation of the rural services delivery grant as in 2023-24.
- 3.15. Other announcements regarding 2024-25 included the notification that:
- all current 'enhanced' business rates retention areas will continue for 2024-25 and, where requested, pooling of business rates will also proceed.
  - the Government will continue to make the adjustments to tariffs and top-ups to reflect the 2023 business rates revaluation, following its previous technical consultation. The methodology and adjustments will be confirmed alongside the provisional 2024-25 settlement. Adjustments will be made to account for compiled rating list data for the 2023 list as at 1 April 2023 and for Outturn Business Rates data for 2022-23 at the 2024-25 local government finance settlement.
  - the Government will not proceed with any fundamental reforms to the finance system in 2024-25.
  - the Statutory Override for the Dedicated Schools Grant will continue until 31 March 2026.

- the Exceptional Financial Support framework is available to provide support where a council has a specific and evidenced concern about its ability to set or maintain a balanced budget, including where there has been local financial failure. Where councils need additional support from government, they should take every possible step to minimise the need for that support to be funded by national taxpayers. As part of that process, the government will consider representations from councils, including on council tax provision.

### **Local Government Finance Settlement 2024-25**

3.16. The 2024-25 local government finance settlement is for one year only and is based on the spending review 2021(SR21) funding levels. Following single year settlements in financial years 2020-21 to 2023-24, this represents the fifth consecutive one-year settlement.

3.17. Key announcements included in the provisional local government finance settlement for 2024-25 and relevant to the Authority include:

- **Revenue Support Grant** - for those authorities receiving Revenue Support Grant (RSG), this has been increased by 6.7% in line with CPI inflation for the 12 months to September 2023
- **Business Rates Retention** - as announced in the Autumn Statement the small business rate multiplier will remain frozen for 2024-25 at 49.9p while the standard rate multiplier will increase by 6.7% (from 51.2p to 54.6p). Baseline Funding Levels will increase to reflect the increase of the standard multiplier, accounting for the fact that authorities have different shares of properties subject to the small and standard multipliers. Local authorities will be compensated for the freeze in the small business rates multiplier in 2024-25 via an increase to the calculation for under- indexation compensation (s31 Grant).
- **Council Tax** - as previously announced in the Policy Statement, the core council tax referendum limit for 2024-25 will be 3%, with social care authorities being allowed to set a social care precept of up to 2% (in addition to the core referendum threshold of 2%). Fire and Rescue Authorities will have a principle of up to 3% while the limit for police authorities and police and crime commissioners is £13. Town and parish councils will continue to be excluded from the referendum principles.
- **New Homes Bonus** - there are no changes to the scheme for 2024-25. New legacy commitments ceased to be made in allocations from 2020-21, and the government confirmed in February 2021 that it did not intend to reintroduce legacy payments. These 2024-25 payments will not attract new legacy commitments. The 2024-25 threshold over which the bonus is paid is unchanged at 0.4%. The national amount for 2024-25 £291m is virtually unchanged from that in 2023-24.

- **Rural Services Delivery Grant (RSDG)** - for 2024-25, the total funding of £95m and the individual allocations remain unchanged from 2023-24
- **Services Grant** – the Services Grant will decrease from its 2023-24 level of £483.3 million to £76.9 million for 2024-25. This will be distributed through the Settlement Funding Assessment, in the same way as in 2023-24
- **Social Care Grant** – As set out at the 2022 Autumn Statement the grant has increased in line with December 2023 Policy Statement by £692m to £4.544bn. This proposed quantum for 2024-25 includes £1.9bn of savings from delaying the rollout of adult social care charging reform from October 2023. £160m of the total increase is intended to be used to maintain the component of the Social Care Grant which is used to equalise the variation in yield from the adult social care precept, in recognition of the differing abilities to generate income from council tax increases. This will partly be funded from delays to adult social care charging reform announced at the 2022 Autumn Statement, together with an additional £80 million which is being added from elsewhere in the settlement, as with last year. The remaining Social Care Grant funding will be distributed using our adult social care relative needs formula. The government proposes that the Social Care Grant remains ringfenced for adult and children’s social care.
- **Improved Better Care Fund** - the improved Better Care Fund grant will retain the same quantum of £2,140m and the same distribution as in 2023-24. The grant will continue to be required to be pooled as part of the Better Care Fund.
- **ASC Market Sustainability and Improvement Fund (MSIF)** - as a previously announced the provisional settlement includes a total funding increase of £283m (from £562m to £845m). This includes £683 million which was announced at the 2022 Autumn Statement, and (as in 2023-24) £162 million of Fair Cost of Care funding. However, this has been partially offset by a reduction between years of a grant rolled in. The two-year MSIF Workforce Fund was worth £365m in 2023-24, but only £205m for 2024/25 (£160m reduction). This gives a net increase overall of £123m.
- **ASC Discharge Fund** - as announced at the 2022 Autumn Statement £1bn of new grant funding will be allocated in 2024-25 to support timely and safe discharge from hospital into the community by reducing the number of people delayed in hospital awaiting social care. Of this, £500 million will be allocated directly to local authorities and £500 million will be allocated to Integrated Care Boards. The £500 million allocated to local authorities from the Discharge Fund be distributed using the existing iBCF grant shares – this is consistent with the approach taken in 2023-24. The Discharge Fund will be required to be pooled as part of the Better Care Fund (BCF), with local authorities and Integrated Care Boards required to produce jointly agreed plans for its deployment.

- **Funding Guarantee** - Renewal of the Funding Guarantee for 2024-25. will ensure all councils will continue to see at least a 3% increase in their Core Spending Power before any decisions they make about organisational efficiencies, use of reserves, and council tax.
- 3.18. The settlement outlines the Settlement Funding Assessment (SFA) (comprising Revenue Support Grant and retained business rates income (baseline funding) for local authorities and the Government’s assessment of Core Spending Power of local authorities. Core Spending Power (CSP) is the Government’s measure of the core components of local government funding. It comprises the aggregate of the Settlement Funding Assessment, assumed income from Council Tax, New Homes Bonus, Rural Services Delivery Grant and a number of other grants. The Settlement Funding Assessment (and CSP estimate) does not include any locally retained growth in business rates.
- 3.19. Nationally, the government’s figures indicate that Core Spending Power will, in cash terms increase by an average of +6.5% in 2024-25, a real term increase of 4.7%. This increase is however based on the assumption that every council raises their council tax by the maximum permitted without a referendum and that the annual growth in the council tax base remains consistent with the average growth achieved by each local authority between 2019-20 and 2023-24. It also assumes all councils retain their baseline target level of business rates within Settlement Funding Assessment (i.e. no retained growth (or decline) is included). These assumptions mean Core Spending Power is unlikely to be an accurate reflection of the actual total resources available to local authorities.
- 3.20. For Cumberland the figures in table 2 highlight an increase in the Council’s core spending power by around 6.4% in cash terms from £291.203m in 2023-24 to £309.831m in 2024-25

**Table 2: Settlement Funding Assessment (SFA) & Core Spending Power**

	2023-24 £'m	2024-25 £'m	Change £'m	Change %
Revenue Support Grant	11.380	12.134	0.754	6.6
Baseline funding	62.938	65.627	2.689	4.3
<b>Total – SFA</b>	<b>74.318</b>	<b>77.760</b>	<b>3.443</b>	<b>4.6</b>
Compensation for under-indexing of business rates multiplier	10.721	12.775	2.054	19.2
Assumed Council tax – excl. parish precepts	152.84	162.00	9.157	6.0
New Homes Bonus	0.957	0.766	(0.192)	(20.0)
Rural Services Delivery Grant	2.793	2.793	0	0
Services Grant	2.420	0.381	(2.039)	(84.3)
Social Care Grant	25.101	29.241	4.141	16.5

	2023-24 £'m	2024-25 £'m	Change £'m	Change %
Improved Better Care Fund (including former Winter Pressures Grant)	14.616	14.616	0	0
ASC Market Sustainability and Improvement Fund (incl. former Market Sustainability & Fair Cost of Care Fund)	3.306	6.078	2.772	83.8
ASC Discharge Fund	2.049	3.415	1.366	66.7
Grants Rolled in <sup>1</sup>	2.073	0	(2.073)	(100)
Funding Guarantee	0	0	0	0
<b>Core spending power</b>	<b>291.20</b>	<b>309.83</b>	<b>18.628</b>	<b>6.4%</b>

1. Market Sustainability & Improvement Fund Workforce Fund (rolled into Market Sustainability & Improvement Fund)

- 3.21. Given the ongoing delays to a number of authorities prior years' NNDR3 returns, there was no announcement in the provisional local government finance settlement regarding the allocation of potential funds from the BRR levy/safety net account.
- 3.22. Following consultation on the Provisional Settlement the Government announced in January a number of additional funding measures. These included:
- an additional £500m for social care, to be distributed through the Social Care Grant.
  - an increase in the Funding Guarantee from 3% to 4%.
  - an increase in the Rural Services Delivery Grant (RSDG) by £15m, to £110m.
- 3.23. For Cumberland Council this additional funding results in a further increase in core spending power summarised in table 2 from £309.831m to an estimated £313.166m an increase of £3.335m.

#### 4. Budget Consultation

- 4.1. Cumberland Council is committed to engaging with its communities. In the Council Plan it states that "Our communities are best placed to determine their needs and aspirations. For us engagement isn't just listening, it is doing things together. We value their views and ideas and so we will work alongside residents to jointly create and design services that impact on their lives. We want our residents to be involved and feel understood at every opportunity. We will work hard to remove as many barriers, differences and inequalities as possible to ensure that everyone in our community can engage with us. We also recognise that when we do ask people to engage with us, it has to be meaningful."

- 4.2. The Council therefore undertakes a number of consultation exercises during the year, including on our budget proposals for the year 2024/25.
- 4.3. The Consultation had three main areas:
- The first asked if respondents had any comments on our main priorities and where the council's focus should be as outlined in the Council Plan.
  - The second section asked for comments and suggestions on the council's transformation plans which sets out how the council will put itself on a more sustainable footing. This included a question on respondents' views on the continued provision of non-statutory services.
  - The third and final section looked at any proposed council tax increases. The proposal was for a rise of 2.99% in the core component of the council's council tax bill, and a 2% rise in the Adult Social Care levy element. There was also a proposal to increase council tax by 100% (effectively making it 200%) for second-home owners.
  - The budget consultation also asked some general questions on the location of the respondent and information on diversity.

#### **Main consultation activity**

- 4.4. The consultation began on 15 December 2023 and ended on 12 January 2024 and was considered at the Business and Resources Overview and Scrutiny Committee on the 19 December 2023.
- 4.5. The consultation was advertised and promoted in a number of ways:
- via the traditional press such as the print media, radio and television – a media briefing was arranged for those media able to make it to the Executive meeting on 15 December.
  - on the Cumberland Council social media accounts including Next-door as well as on the council's website.
  - the consultation was also shared with staff and councillors.
  - details were also sent to parish councils and partner organisations making use of key contacts and our community development teams.
  - via the council's email newsletters.
- 4.6. We received 536 responses to our consultation by the time the consultation ended. Full details on the responses to the consultation can be found in the Appendix. This includes an analysis of some of the key themes from the qualitative data.
- 4.7. The main quantitative data sets related to the proposals for council tax. The results were as follows.

- In response to the question whether to increase the core element of council tax by 2.99%, some 51.1% responded 'yes' and 44.8% responded 'no'. Just over 4% responded 'don't know'. There were 509 responses to this question.
  - In response to the question whether to increase the Adult Social Care Levy by 2% the results were, 52.3% responded 'yes' and 41.1% responded 'no'. Some 6.7% of responses were 'don't know'. There were 509 responses to this question.
  - In response to the question whether to increase council tax on second homes by 100%, the response was 70.7% 'yes' and 23.8% 'no'. Some 5.6% of those who responded said 'don't know'. There were 518 responses to this question.
- 4.8. The consultation is not designed to be a statistically representative sample of public opinion in Cumberland but a gauge of the opinions of those people and organisations that have chosen to participate in the process.
- 4.9. This report does not seek to make any recommendations: its purpose is to help inform decision makers of opinion expressed as part of this consultation.

## **5. Revenue Budget Financing Assumptions**

### **Overview**

- 5.1. The Councils revenue budget is financed from three main sources, council tax, business rates and government grants.
- 5.2. The level of financing is subject to central government policy. Council Tax is subject to referendum limits, business rates are not only subject to the valuation offices assessment of the rateable value but also annual announcements regarding changes to the amount payable against that value, and whether a departure from an inflationary increase will result in compensation for local government. The majority of our general government grant funding are also subject to the annual local government finance settlement.
- 5.3. This means the Council must estimate its financing ahead of central government making formal announcements and allocations. To ensure those estimates are robust the Council works with the wider sector and engages specialist support where required.
- 5.4. In recent years central government funding has reduced and the ability to grow and maintain resources raised locally, such as council tax, has become even more important for financial sustainability.
- 5.5. This is particularly important when considered against the change in local government funding and the short term, one-year, financial settlements, which makes robust medium term financial planning difficult, due to the volatile nature of central government financing.



- 5.6. The provisional settlement for local government was issued on 18th December 2023 and is incorporated within the figures contained within this report, along with any subsequent statements and announcements but the final position for 2024/25 is subject to the final settlement expected in February 2024.
- 5.7. The table below shows how the draft net Revenue Budget is proposed to be financed:

**Table 3: Summary of 2024-25 revenue budget**

	<b>2024-25 £'m</b>
<b>Net Service Expenditure budget</b>	<b>329.978</b>
EFS Application	(10.000)
Planned use of earmarked balances / general fund	(0.964)
<b>Net Budget Requirement</b>	<b>319.014</b>
<b>Financed By:</b>	
General Grants	61.977
Council tax – Cumberland (excluding parish element)	163.452
Collection fund surplus/(deficit) - Council Tax	(0.353)
National Non-Domestic Rates (NNDR) aka. Business Rates Retention (BRR) funding	92.504
Collection fund surplus/(deficit) – NNDR	(3.566)
Less: Planned use of earmarked balances - NNDR	5.000
<b>Total Financing</b>	<b>319.014</b>

### Developing the Financing Estimates

- 5.8. In arriving at the final financing figure included in the draft revenue budget, estimates are revised throughout the year as part of the budget setting process. A summary of how those estimates have developed through this process is set out below:

**Table 4: Summary of 2024-25 revenue budget financing estimates**

	<b>2024-25 £'m</b>
<b>Financing – per MTFP in March 2023</b>	<b>302.864</b>
updated inflation assumptions on grants	4.876
updated inflation assumptions on Council Tax referendum limits	5.073
updated inflation assumptions on NNDR	4.150
<b>Financing – Autumn Statement</b>	<b>316.963</b>
reduction in grant at Provisional Settlement	(2.086)
<b>Financing – Provisional settlement</b>	<b>314.877</b>
increase in Council Tax Base	1.439
confirmation of Council Tax deficit	(0.353)

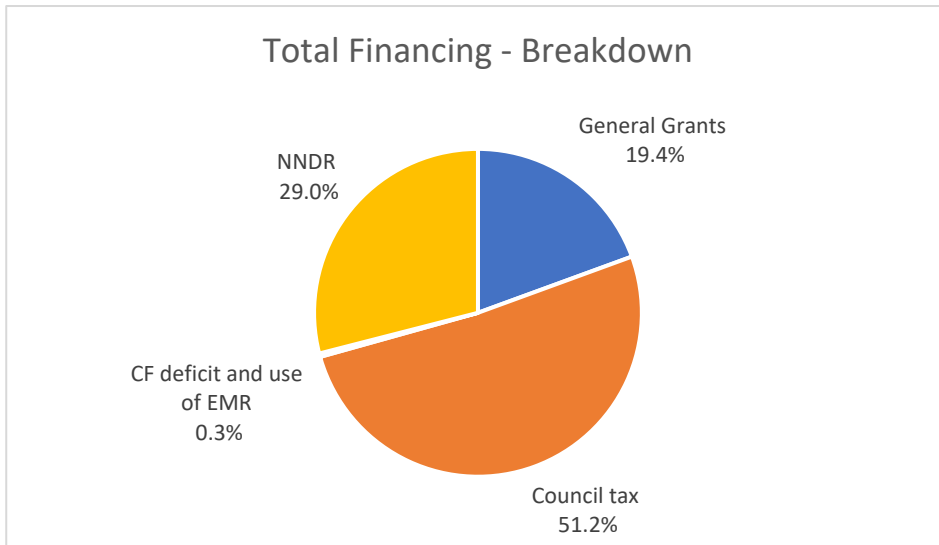
	<b>2024-25 £'m</b>
estimate of additional Social Care and Rural Service Grant announcement	3.335
<b>Financing – mid-January Position</b>	<b>319.298</b>
updated Business Rates	(1.718)
confirmation of NNDR deficit	(3.566)
use of business rates volatility reserves	5.000
<b>Total Financing</b>	<b>319.014</b>

5.9. The revisions noted above are due to:

- the initial estimate provided in the 2023/24 budget report were based on assumptions about inflation and how this would impact on the funding available for 2024/25
- work undertaken with the wider sector and advisors to update the 2023/24 assumptions, based on latest inflation projections and then for the Autumn Statement. No funding allocations were provided in the statement, creating uncertainty within the Councils estimates, but sufficient information was available to allow the updated estimates to be include within the budget setting process.
- The provisional local government finance settlement announced in December 2023 confirmed the majority of the Councils own assumptions based on the Autumn Statement, with one key exception which was the reduction in Service Grant. This was reduced nationally and as a result the Cumberland estimates included within the budget setting process were amended.
- In early January 2024 the Council Tax Base and Council Tax deficit position was calculated and resulted in an increase to the overall estimated Council Tax Yield. On 24<sup>th</sup> January government announced additional funding would be made available and whilst allocations are not expected to be provided until the final local government finance settlement, this will result in additional support for Cumberland from increased Social Care Grant and Rural Services Delivery Grant. Estimates of this additional funding are included in financing for the draft revenue budget proposals.

### Breakdown of the Draft revenue budget financing

- 5.10. The breakdown of funding shows the importance of locally raised financing, with council tax financing 51.2% of Cumberland Councils Net Budget Requirement, as shown in the following chart.



- 5.11. Further detail supporting the funding assumptions included in the 2024-25 budget are detailed below.

### Government Grants

- 5.12. The following Table summarises the General Grants used to finance the 2024-25 Cumberland budget and itemises a number of Specific Grants, included within Adult Services or Public Health 2024-25 Cumberland Budget.
- 5.13. Specific Grants can only be spent according to the terms and conditions of the grant, and therefore not be used to support general expenditure. This includes the Public Health Grant received specifically for the Councils Public Health responsibilities. This grant allocation has yet to be confirmed, it has been assumed that this will continue at the same level as 2023-24 as a specific grant.

**Table 5: Government Revenue Grants**

	<b>Original 2024-25 £'m</b>	<b>Forecast 2025/26 £'m</b>	<b>Forecast 2026/27 £'m</b>
<b>General Government Grants Announced as Part of Financial Settlement</b>			
<b>Revenue Support Grant</b> - Government Grant Distributed based on governments formulae-based assessment of relative need.	12.134	12.538	12.739
<b>Rural Services Delivery Grant</b> - Government Grant to support the increased costs of delivering services in rural areas.	2.793	2.793	2.793
<b>New Homes Bonus</b> - is an incentive-based grant to increase the number of new homes built and reduce the number of empty properties. This is currently being phased out, but forward projections assume Cumberland will be no better or worse off when the funding is re-purposed	0.766	0.612	0.490
<b>Services Grant</b> – initially a one-off grant to support Local Government Services in 2022-23, but has been continued at a reduced level for 2023-24, beyond which estimates are uncertain	0.381	0.000	0.000
<b>Social Care Grant</b> - A Government Grant to support the cost pressures in both Adult and Children’s social care.	29.241	29.241	29.241
<b>General Government Grants to be announced as part of Final Financial Settlement</b> (estimates based on announcement made on 24 January 2024)			
<b>Rural Services Delivery Grant</b> - support rural councils by increasing the Rural Service Delivery Grant	0.441	0.000	0.000
<b>Social Care Pressure Grant</b> - additional £500 million of funding for local government for adult and children’s social care	2.894	0.000	0.000
<b>Other General Grants</b>			
CNDR PFI	11.882	11.882	11.882
Other smaller grants	1.445	1.445	1.445
<b>Total – General Grants</b>	<b>61.977</b>	<b>58.512</b>	<b>58.590</b>
<b>Specific Grants Included within net revenue budget</b>			
<b>Market Sustainability and Improvement Funding</b> - Government grant toward improvement in Adult Social Care	6.078	-	-
<b>Discharge Fund</b> – Government Grant to support hospital discharges	3.415	-	-
<b>Better Care Fund</b> - Grant from the ICB’s for the integration of health and social care. The amount displayed here is the contribution to Adult Social Care	19.518	19.518	19.518
<b>Improved Better Care Fund</b> - Government Grant to support local authorities to meet adult social care costs, reduce pressures on the NHS and support the social care market	14.616	14.616	14.616
<b>Public Health Grant</b> - Ringfenced Government funding to improve health in the local population. (2023-24 values as final allocations are pending)	12.195	12.195	12.195

5.14. Additional one-off specific grants are sometimes received in year or for specific government focused activities. They are incorporated into the Councils Gross expenditure/income position and monitored as part of the budget monitoring processes.

**Dedicated Schools Grant (DSG)**

5.15. The most significant specific grant is the Dedicated Schools Grant (DSG)

5.16. The DSG is a ring-fenced grant allocated to local authorities to support a range of education related services. Much of the funding is passported through to schools and other education providers.

5.17. The Education and Skills Funding Agency (ESFA) published the Dedicated Schools Grant (DSG) allocations for 2024/25 on 20 December 2023

5.18. The grant is provided in 4 blocks: Schools Block, High Needs Block, Early Years Block, Central Schools Services Block and Early Years Block

5.19. The figure for DSG for Cumberland in 2024-25 is £280.725m. Of this £182.612m is estimated to be for Cumberland Council Maintained schools with £98.113m for Academies, Free Schools, and Further Education Colleges.

**Table 6: Dedicated Schools Grant Table**

	<b>Schools Block</b>	<b>Central Schools Services Block</b>	<b>High Needs Block</b>	<b>Early Years Block</b>	<b>Total DSG 2024-25</b>	<b>Total DSG 2023-24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Total DSG	211.546	1.792	39.803	27.584	<b>280.725</b>	256.260
Less Transfer to Academies / Other providers	(94.801)	-	(3.312)	-	<b>(98.113)</b>	(91.751)
<b>Cumberland DSG Allocation</b>	<b>116.745</b>	<b>1.792</b>	<b>36.491</b>	<b>27.584</b>	<b>182.612</b>	<b>164.509</b>

5.20. In addition to the DSG there are other school grants, which like DSG are largely passported through to schools and other education providers. The table below provides an estimate, as the formal allocations have not yet been published for 2024-25 and in some cases Department for Education (DfE) have not yet announced whether the funding will continue.

**Table 7: Estimated School Grants**

	<b>2024-25 £'m</b>
Dedicate School Grant	182.612
Sixth Form Grant (2024-25 still to be announced)	3.054
Pupil Premium Grant (2024-25 still to be announced)	7.991
Universal Infant Free School Meals (2024-25 still to be announced)	2.355
Primary PE and Sport Premium (2023-24 still to be announced)	2.000
<b>Total – Estimated Schools Grants</b>	<b>198.012</b>

5.21. Any changes to DSG and school grants, when compared to the baseline budget position currently included in this report, will be incorporated into the Councils Gross expenditure/income position. As they are largely passported through to schools and other education providers these changes will have no impact on the overall net budget for Cumberland., those changes will be monitored as part of the budget monitoring processes.

### **Council Tax**

5.22. Council tax is the most stable, sustainable, and significant source of income for Cumberland Council. It is driven by both the tax base (number of Band D equivalent properties in the area) and the level of the Band D charge set by the Council.

5.23. The Local Government Finance Act 1992 and accompanying regulations requires the authority to calculate, each year, the Council Tax Base for its area as a whole and for each individual Parish or Town Council area. The rules for calculating the Council Tax Base are prescribed by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

5.24. The Council Tax Base is a measure of the taxable capacity of an area or part of an area, expressed in terms of the number of Band D equivalent dwellings and adjusted to take account of any discounts, premiums and exemptions and the estimated Council Tax collection rate. The Council Tax Base is used in the calculation of the council tax by Billing Authorities and Major Precepting Authorities and in the calculation of the amount of a precept payable by a Billing Authority to a Major Precepting Authority.

5.25. The calculation of the Council Tax Base for 2024-25 incorporates:

- the impact of the Authority's Council Tax Reduction Scheme for 2024-25, taking into account the modified scheme provisions allowing for War Pension disregard in relation to both CTRS and Housing Benefit, and

- the relevant Council Tax Discounts and Exemptions and Premiums as set out in the following section.

5.26. A large part of the council tax legislation is mandatory on all billing authorities within England. Discounts (such as Single Person Discounts), disregards and exemptions are set by statute with very little discretion allowed. However, there are a small number of areas where each council may determine the type and level of charge to be applied. This report proposes two changes to existing Council Tax discounts.

**Short term unoccupied and unfurnished properties**

5.27. Currently the Council offers a 100% discount in respect of unoccupied and unfurnished properties for up to 3 months. These are primarily properties that are changing owner or tenant. It is proposed that this discount is amended to one month to ensure that properties are made available in a shorter time period.

**Properties requiring or undergoing major works class D**

5.28. The Council currently offers a 75% discount for a period of up to 12 months for uninhabitable properties which are unfurnished. Our proposal is to remove this discount entirely. The Council has no discretion regarding the period and any discount offered must be done so for 12 months or as long as it remains in that state (whichever is the lesser time).

5.29. The national picture shows that over the past 10 years most local authorities have reduced or removed this discount entirely. The council can still introduce local discounts under S13A of the Local Government Finance Act 1992 if properties were to be rendered uninhabitable by localised flooding.

5.30. Local discounts are provided in respect of Beach Huts and in relation to Care Leavers under the existing Cumbria wide policy. These arrangements, as they are local discounts are outside of the scope of the Council Tax Base calculations.

5.31. The main discretionary areas are those relating to prescribed classes A – D.

**Discounts**

Single Person Discount	-	25% Discount
Class A Second Homes with planning restriction	-	50% Discount
Class B Second Homes with no planning restriction	-	No Discount
Class C Unoccupied/Substantially Unfurnished	-	100% for 1 month
Class D Uninhabitable requiring Major Works	-	No discount

**Premiums**

Long Term Empty – 1 year to 5 years (see section 3.12 - 3.14)	-	100% Premium
Long Term Empty – 5 years to 10 years	-	200% Premium
Long Term Empty – 10 years or more	-	300% Premium

## **Second Homes Premiums**

- 5.32. Section 80 of the Levelling Up and Regeneration Act, which received Royal Assent on 26 October 2023, enables Councils to introduce a council tax premium of up to an additional 100% in relation to Second Homes from April 2025.
- 5.33. To apply an increased charge for Second Homes a Council must make a first determination to do so at least one year before the beginning of the financial year to which the charge will relate. This report proposes to introduce the premium for Second Homes from 1<sup>st</sup> April 2025, to ensure notice of 12 months is given.
- 5.34. Once the determination is made, it can be altered or revoked, if it is done so before the beginning of the financial year to which it relates.
- 5.35. Section 79 of the Levelling Up and Regeneration Act, amends the definition of a long-term empty property for the purposes of applying a council tax premium.
- 5.36. Prior to 1 April 2024, the long-term empty premium is only applied to a property which has been empty for more than 2 years. From 1 April 2024, any property which has been empty for more than 12 months will be subject to the long-term empty premium.
- 5.37. Where premiums are to be applied, the council is mindful of the recent consultation by central government to consider recommendations for exceptions to the rule. Any guidance that is issued by the Secretary of State in relation to council tax premiums must be adhered to by law and any changes that are required will be brought back to Council.

## **Council Tax Referendum Limits**

- 5.38. The governments provisional settlement confirmed that the referendum thresholds for 2024-25 are a 3% increase in core council tax plus a further 2% increase in the adult social care precept. Any increase above these thresholds would be subject to a local referendum. The draft budget is based on an increase in the Band D council tax for Cumberland of 4.99%, resulting in a Band D charge of £1,816.80.
- 5.39. The tax base for 2024-25, incorporating the impact of the relevant council tax discounts, exemptions, and premiums as well as the impact of the council tax reduction scheme is 89,966.79.
- 5.40. The table below sets out the 2024-25 Council Tax Income based on the Band D and Council Tax base for Cumberland Council:



**Table 8: Council Tax Yield 2024-25**

	<b>2024-25</b>
Council Tax Band D	£1,816.80
Council Tax Base	89,966.79
<b>Cumberland Council Tax Yield (exc' parish element)</b>	<b>£163,451,664</b>

**National Non-Domestic - NNDR**

- 5.41. Under the business rates retention scheme, 49% of business rates (NNDR) collected is retained by the Council. The remainder is paid to Central Government (50%) and Cumbria Police, Fire and Crime Commissioner (1%).
- 5.42. The scheme also provides that certain sums are to be treated as being outside the scheme and retained in their entirety by the Council. The Council is also able to retain the growth in the local share of business rates.
- 5.43. A system of top-up and tariffs ensures the Council's share of estimated business rates income (business rates baseline) does not exceed the level of funding to be provided through the business rates retention scheme (baseline funding). Tariffs, top-ups, and baseline funding levels are normally indexed each year in line with the small business rates multiplier. Top-up, tariffs, and baseline amounts have also been adjusted to ensure that the impact of the 2022 revaluation was revenue neutral for local authorities.
- 5.44. The amount of business rates income available to the Council's general fund and taken into account when setting the budget, is based on an estimate made in January preceding the start of the financial year and included in the government return NNDR 1 (i.e. January 2024 for the 2024-25 Financial Year). The estimate of business rate income, reported in the government return NNDR 1, also determines how much the Council must pay to central government and the Cumbria Police, Fire and Crime Commissioner during the course of the year.
- 5.45. The estimate of business rates income takes into consideration any projected changes in the NNDR tax base, estimated losses due to appeals and expected collection rates.
- 5.46. The amount included in the draft budget is based on a draft NNDR1. Any changes between this draft and final position will be reported as part of the 2024/25 budget monitoring process but these changes are not expected to be significant.
- 5.47. The amounts paid to central government and the Cumbria Police, Fire and Crime Commissioner, and the amount retained by the Council are fixed at the outset of each year (based on the estimates included in the Council's NNDR 1 return). As a consequence, any difference between estimated amounts and the actual amounts

receivable will result in a surplus, or deficit on the Council's Collection Fund. An estimate must therefore be made by the Council of the surplus or deficit on the Collection Fund at the end of the previous financial year. This estimated amount is then shared between the Council, Police, Fire and Crime Commissioner and central government and added (or subtracted) from each Authorities share of the following year's non-domestic rating income.

5.48. During 2023-24, there has been a reduction in income collectable when compared with 2023-24 NNDR1 estimates submitted to DLUHC in January 2023. This is largely due to changes made to rateable values following review by the Valuation office during 2023-24 through the Check, Challenge and Appeal process. This reduction in income has resulted in a reduction in the amount of business rates collected from ratepayers in 2023-24 and contributed to the collection fund deficit estimated at 31 March 2024. To offset the fall in business rates income, generated by the requirement for the Authority to repay its share of the Collection Fund deficit when setting its 2024-25 revenue budget, a release of earmarked reserve has been included as part of the 2024-25 financing. These are earmarked reserves held specifically to off-set the volatility of business rates, which would otherwise have been released to General Fund if not required for this purpose.

5.49. A summary of the business rate income included in the 2024-25 budget is shown in the table below:

**Table 9: National Non -Domestic Rates (NNDR) Income**

	<b>2024-25 Budget £m</b>
<b>Fixed Elements:</b>	
Cumberland share of NNDR Income	53.578
Amounts retained in respect of Designated Areas	0.484
Amounts retained in respect of renewable energy schemes	1.420
Qualifying relief in Designated areas	0.171
Net top-up (tariff) payable from/(to) Central Government	11.967
<b>'Fixed' element of NNDR income</b>	<b>67.620</b>
<b>Variable Elements:</b>	
Section 31 grant	24.884
<b>Total Fixed &amp; Variable Elements</b>	<b>92.504</b>
Share of estimated collection fund surplus/(deficit) for PY	(3.566)
<b>Total National Non-Domestic Rates (NNDR)</b>	<b>88.938</b>

## 6. Developing The Revenue Budget

6.1. In order to achieve a balance budget, the Revenue Budget proposals must be able to be financed by the resources available to the council. This means the net revenue budget requirement must match the revenue financing.

- 6.2. In order to ensure the budget balances, that estimates are robust and that proposals align to the Cumberland Council Plan the budget setting process involves continued engagement with the Senior Leadership Team (SLT), Extended Leadership Team (ELT) and that budget review sessions are held with members of the Executive as well as Overview and Scrutiny.
- 6.3. The approach taken in setting the 2024-25 Budget and Medium-Term Financial Plan for Cumberland Council has been as follows:
- Establishing the baseline budget for 2023-24, that will roll-forward to 2024-25
  - Review of pressures and growth.
  - Identifying any potential budget gap this pressure and growth may cause.
  - Identify saving and efficiency opportunities, arising from the Councils existing service provision and from the Cumberland Transformation Plan.
  - Service Review and Budget Pressure Mitigation proposals.
  - EFS and Reserves – balancing the budget.
- 6.4. The following provides additional details on each of these steps and how this has impacted on the development of a balanced 2024-25 Budget for Cumberland Council and how this has further informed the Medium-Term Financial Plan
- a) Establishing the baseline budget for 2023-24, that will roll-forward to 2024-25**
- 6.5. This set provides the starting point for developing the draft 2024-25 revenue budget position and ensures this is in line with previous budget decisions made by Council. A summary of this position is shown below:

**Table 10: baseline budget for 2023-24**

	2024/25 £m	2024/25 £m
<b>2023-24 Net Revenue Budget</b>		<b>303.279</b>
Non-Recurring growth	(7.059)	
Non-Recurring savings	9.405	
Non-Recurring Transition and Transformation	(30.000)	
Non-recurring exceptional financial support	40.000	
<b>Remove non-recurring items</b>		<b>19.405</b>
<b>2023-24 Baseline Budget</b>		<b>315.625</b>

## b) Review of Pressure and Growth

6.6. It is important that the Council identifies all Pressure and Growth that could impact of the budget position and that this is included with the budget process to ensure a robust and transparent position is identified. This includes review of:

- existing medium term financial plans,
- current in-year (2023-24) financial monitoring,
- review and assessment of economic outlook and inflationary pressures on contracts, pay awards, energy costs etc, and
- ensuring engagement with services and members to recognise the impact of service plans and deliver of Cumberland priorities over the coming year(s)

**Table 11: Growth included in the 2024-25 revenue budget.**

	<b>2024/25 £m</b>
<b>2023-24 Updated Baseline Budget (table 10)</b>	<b>315.625</b>
Recurring Growth	51.615
Non-Recurring Growth	0.347
<b>2024-25 Budget, before savings and transformation</b>	<b>367.587</b>

### Recurring Growth

6.7. The recurring Growth are those changes and additions to the current baseline budget (2023-24) that are needed to meet the anticipated cost of service provision and increased demand for services in 2024-25. These total £51.615m for 2024/25 and are summarise below:

**Table 12: Recurring Growth included in the MTFP**

		<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
i	Inflation and pay award	19.787	18.373	15.283
ii	Capital Financing (MRP and Interest)	2.121	4.446	1.733
iii	Savings Proposals not being fully realising	7.123	0.000	0.000
iv	Adults pressure	3.250	0.000	0.000
v	Childrens pressure	12.500	0.000	0.000
vi	Contingency	1.000	0.000	0.000
vii	Other pressures	5.834	0.000	0.000
<b>Recurring Growth</b>		<b>51.615</b>	<b>22.819</b>	<b>17.016</b>

- i. £19.787m 2024/25 Inflation and pay award includes:
  - Circa £5.131m assumed Pay Award (3%) and allowance for pay increments. Although no decision has been taken on pay awards at this point, pending the outcome of the national public sector discussions. This will be held as a corporate contingency until agreement is reached.
  - Circa £14.654m Contractual Inflation. This provides for in-built contractual and other inflationary cost related pressures, across various contracted/externally provided services, including Children Looked After, Care Leaver and Adults service(s)/care provision, leisure facility managements, grounds maintenance, waste collection services, utilities, waste disposal and transport contract(s). Not all arrangements specify the annual uplift, and, in some cases, this may be subject to negotiation. This means the final amount is not yet certain and the uplift allowance reflects the best estimates at the time of setting the budget. Pending these uplifts being finalised this will be held as a corporate contingency until agreement is reached.
- ii. £2.121m Capital Financing (MRP and Interest) in relation to the borrowing used to finance the Capital Programme. This is a result of financing the existing capital programme, rather than new schemes being approved and allows for the financing of the Exceptional Financial Support (EFS).
- iii. £7.123m Pressure as a result of savings proposals not being fully realising during 2023/24. This consists of £1.500m Adults, £1.500m Childrens and £4.123m corporate wide cross cutting savings. Although these particular savings were not delivered and are being 'removed' through this budget growth, these are being replaced by savings identified as part of the 2024/25 budget setting process including the transformation plan and service reviews.
- iv. £3.250m Adults pressure, relating to increased demand and re-baselining budgets to meet the current cost of delivering adults services within Cumberland.
- v. £12.500m Childrens pressure, relating to increased demand
- vi. £1.000m Corporate Contingency Budget
- vii. £5.834m relates to smaller other pressures, including re-base lining budgets to reflect the cost of delivering service such as street lighting, waste disposal coroners and to reflect current income levels across services such as ceremonies, car parking and the asset portfolio

Non-Recurring Growth and Pressures – Total £0.347m

- 6.8. These are the changes and additions that are needed to meet the anticipated cost of service provision in 2024-25, but which are not expected to be a long-term recurring pressure that needs to be built into the Councils base budget on a permanent basis as they are time-limited pressures. The total for 2024-25 is £0.347m.

**c) Comparing the budget position to available financing**

6.9. In comparing this to the financing, the Council is able to identify any gap between the revenue budget and revenue financing – this is an important step in ensuring the Council identifies the pressure for the coming year and identifies a plan to balance the Gap.

**Table 13: Initial revenue budget Gap**

	<b>2024/25 £m</b>
2024-25 Budget, before savings & transformation (table 11)	367.587
Total financing (table 4)	(319.014)
<b>Gap – if no savings identified</b>	<b>48.573</b>

**d) Identify saving and efficiency opportunities arising from the Councils existing service provision and from the Cumberland Transformation Plan**

6.10. A number of savings had already been identified for 2024-25 as part of in-year planning and development of the Cumberland Transformation Plan. Including these items reduced the budget Gap that needed to be found through additional work to be undertaken as part of the budget setting process.

**Table 14: Transformation Plan and BAU savings**

	<b>2024/25 £m</b>	<b>2024/25 £m</b>
<b>Gap – if no savings identified (table 13)</b>		<b>48.573</b>
Transformation Plan Investment	31.230	
Transformation Plan EFS	(31.230)	
Recurring Savings - BAU and Transformation	(20.250)	
Non-Recurring Savings BAU and Transformation	(0.345)	
		<b>(20.595)</b>
<b>Remaining Gap after BAU and Transformation</b>		<b>27.978</b>

**Development of the Cumberland Transformation Plan**

6.11. The ambition of Cumberland Council is to maximise the opportunities of becoming a unitary council and to develop a modern organisation and culture that is more effective and efficient.

- 6.12. The Transformation Plan sets out the additional investment, above the Councils existing baseline capacity and resources, required over the medium term to achieve this ambition.
- 6.13. The financial output from this programme is both the delivery of the savings required to ensure a balanced budget for 2024-25 and a medium / long term financially sustainable Council and secondly to deliver pressure mitigations that will ensure Cumberland delivers on its balanced budget across historic pressure areas such as the use of un-budgeted agency and interim capacity arrangements.
- 6.14. This additional investment underpins the Councils capability and capacity is available to support and deliver the Cumberland transformation plan.

### The Proposed portfolio of transformation programmes

- 6.15. The Transformation Plan will be delivered through a portfolio of programmes and the proposed plan is set out below:

<p><b>Adults Services Transformation</b></p> <p>Re-shaping care services; developing assistive technology to manage demand; reviewing fees and charges; service right-sizing</p> <p><b>SRO</b> Director of Adult Social and Housing <b>Technical Lead</b> AD-Quality and Resources</p>	<p><b>Childrens Services Transformation</b></p> <p>Reviewing high cost and complex placements; develop alternative care models; new approach to SEND transport; review and develop options for cared-for population</p> <p><b>SRO</b> Director of Children and Family Wellbeing <b>Technical Lead</b> TBC</p>	<p><b>People, resources and reducing agency/EPW</b></p> <p>Pay and reward review and implementation; overseas recruitment; social work academy; reduction in sickness absence in priority areas</p> <p><b>SRO</b> Director of Business Transformation and Change <b>Technical Lead</b> AD for HR/OD</p>
<p><b>Assets and fleet management</b></p> <p>Review fleet utilisation; asset rationalisation; highways transformation</p> <p><b>SRO</b> Director of Resources <b>Technical Lead</b> AD-Assets and Fleet &amp; AD-Highways and Transport</p>	<p><b>Customer and pre front door</b></p> <p>Define and implement 'pre-front door' model; demand management through proactive early engagement and prevention; re-modelling 0-19; reshape Customer Solutions; implement new approach to Early Help targeted at reducing demand</p> <p><b>SRO</b> Director of Public Health and Communities <b>Technical Lead</b> AD-Customer Solutions &amp; Public Health Consultant</p>	<p><b>Commissioning and commercialisation</b></p> <p>Review major contracts – waste options; leisure services; full costs recovery from services delivered and income maximisation</p> <p><b>SRO</b> Director of Place Sustainable Growth and Transport <b>Technical Lead</b> AD-Commissioning and Procurement &amp; AD-Climate and Waste</p>
<p><b>ICT foundation systems</b></p> <p>Enabling enterprise architecture; ERP, CRM; innovation driving performance</p> <p><b>SRO</b> Director of Business Transformation and Change <b>Technical Lead</b> AD-Digital Innovation and ICT</p>	<p><b>Transition</b></p> <p>Resolving post-LGR legacy issues; ICT systems and processes; reinforcing Cumberland Council culture</p> <p><b>SRO</b> Assistant Chief Executive – Strategy, Policy and Performance <b>Technical Lead</b> AD-Digital Innovation and ICT</p>	<p><b>Improvement and efficiency</b></p> <p>Defining and implementing New Ways of Working; Service Reviews across priority areas including Car Parking, Fleet, Planning, Building Control, Housing, Revs &amp; Bens</p> <p><b>SRO</b> Director of Resources <b>Technical Lead</b> AD-Programme Management Office</p>

## Investment in the proposed portfolio of transformation programmes

- 6.16. The additional investment currently identified across this portfolio of programmes is set out below:

**Table 15: Transformation Plan Investment**

	2023/24 £'m	2024/25 £'m	2025/26 £'m	Total £'m
Adults Transformation	0.250	2.500	2.350	<b>5.100</b>
Childrens Transformation	0.800	3.500	1.200	<b>5.500</b>
People and Resources	1.100	4.000	4.000	<b>9.100</b>
Assets and fleet management	0.000	0.500	0.000	<b>0.500</b>
Customer and pre-front door	0.250	2.750	0.000	<b>3.000</b>
Commissioning and Commercialisation	0.450	0.200	0.000	<b>0.650</b>
ICT systems	0.000	5.850	3.000	<b>8.850</b>
Improvement and efficiency	0.000	0.000	0.000	<b>0.000</b>
<b>Transformation Plan Delivery</b>	<b>2.850</b>	<b>19.300</b>	<b>10.550</b>	<b>32.700</b>
Contingency and Inflation	0.000	1.930	1.583	3.513
People and Resources Implementation Costs	0.000	10.000	0.000	10.000
<b>Transformation Plan Delivery</b>	<b>2.850</b>	<b>31.230</b>	<b>12.133</b>	<b>46.213</b>

### Exceptional Financial Support (EFS)

- 6.17. Ahead of the 2023/24 budget the Council agreed, in principle, with Department of Levelling Up Housing and Communities (DLUHC) that exceptional financial support would be made available to assist the council in managing this additional investment cost.
- 6.18. A submission has been made to DLUHC identifying the medium-term investment, as set out above, and a request made for the EFS to be provided across 2023/24 and 2024/25. This support will allow the authority to use capital resources to fund the revenue investment during both years.
- 6.19. This budget has been proposed on the basis that this request will be supported by Government, meaning the Council do not need to set aside revenue resources to finance this in-year but will instead finance the investment as though it were Capital Expenditure. The budget proposals are on the basis this will require the Council to borrow and allowance has been made for this within the capital financing estimates included in the MTFP.

### e) Service Review and Budget Pressure Mitigation proposals

- 6.20. In addition to the Medium-Term transformation plan and business as usual savings and efficiencies. Services have undertaken a process of reviewing their budget and service plans for 2024/25 and identified a series of Service Review and Budget Pressure Mitigation proposals. The impact of which is summarised below:



**Table 16: Service Review and Budget Mitigations**

	2024/25 £'m	2024/25 £'m
<b>Remaining Gap after BAU and Transformation (table 14)</b>		<b>27.978</b>
Recurring Savings - Service Review and Budget Mitigation	(15.598)	
Non-Recurring Savings - Service Review and Budget Mitigation	(1.414)	
		<b>(17.012)</b>
<b>Remaining Gap after Service Review &amp; Budget Mitigation</b>		<b>10.966</b>

**f) EFS and Reserves – balancing the budget**

- 6.21. In arriving at a balanced budget position for 2024/25 it is expected that short term support from reserves and EFS is required.
- 6.22. This is a short-term measure while the savings and efficiencies identified by Cumberland Transformation Plan can be fully realised over the life of the MTFP.
- 6.23. By requesting EFS support, this allows this budget gap to be spread over a number of years, rather than reducing the Councils reserves, which must remain above the minimum level identified by the s151 office in order for the Council to remain financially sustainable.

**Table 17: EFS and Reserves**

	2024/25 £'m	2024/25 £'m
<b>Gap – after savings (table 16)</b>		<b>10.966</b>
EFS Application		(10.000)
Planned use of earmarked balances / general fund		(0.966)
<b>Balanced Budget</b>		<b>0.000</b>

**Savings, Efficiencies and Income Generation**

- 6.24. The saving included in the 2024/25 budget total £37.607m and consist of:
- £35.850m recurring savings: which reduce the current baseline budget (2023-24) on a permanent basis, and which are required to not only reduce the pressure on the 2024-25 Cumberland Budget, but also over the Medium Term
  - £1.759m non-recurring savings: which reduce the budget for 2024-25. These ensure a balanced budget is achieved but are not expected to be permanent.

**Table 18: Savings included in 2024/25 Revenue Budget**

	2024/25 £'m	2024/25 £'m
Recurring Savings - BAU and Transformation	(20.250)	
Recurring Savings - Service Review & Budget Mitigation	(15.598)	
<b>Recurring Savings</b>		<b>(35,848)</b>
Non-Recurring Savings - Service Review & Budget Mitigation	(1.414)	
Non-Recurring Savings BAU and Transformation	(0.345)	
		<b>(1.759)</b>
<b>Total Savings 2024/25</b>		<b>(37.607)</b>

6.25. The 2024/25 savings are part of a wider savings programme identified over the MTFP, this is set out below:

**Table 19: Savings included in 2024/25 Revenue Budget and MTFP**

	2024/25 £'m	2025/26 £'m	2026/27 £'m	Total Recurring Savings
<b>Recurring Savings</b>				
Adults Transformation	(6.125)	(2.000)	(0.400)	<b>(8.525)</b>
Childrens Transformation	(9.900)	(8.050)	(2.750)	<b>(20.700)</b>
People and Resources	(1.000)	(4.000)	(5.000)	<b>(10.000)</b>
Assets and fleet management	(0.475)	(3.750)	(3.500)	<b>(7.725)</b>
Customer and pre-front door	(1.000)	(2.000)	(2.000)	<b>(5.000)</b>
Commissioning and Commercialisation	(1.242)	(1.150)	0.000	<b>(2.392)</b>
ICT systems	0.000	(0.500)	(2.500)	<b>(3.000)</b>
Improvement and efficiency	(0.510)	0.000	0.000	<b>(0.510)</b>
<b>Recurring Savings - BAU and Transformation</b>	<b>(20.252)</b>	<b>(21.450)</b>	<b>(16.150)</b>	<b>(57.852)</b>
Service Review and Budget Mitigation	(15.598)	0.000	0.000	<b>(15.598)</b>
<b>Recurring Savings</b>	<b>(35.850)</b>	<b>(21.450)</b>	<b>(16.150)</b>	<b>(73.450)</b>
<b>Non-Recurring Savings</b>				
Commissioning and Commercialisation	(0.345)	0.000	0.000	-
Service Review and Budget Mitigation	(1.414)	0.000	0.000	-
<b>Non-recurring savings</b>	<b>(1.759)</b>	<b>0.000</b>	<b>0.000</b>	-
<b>Total Savings</b>	<b>(37.609)</b>	<b>(21.450)</b>	<b>(16.150)</b>	-

## Revenue Budget Overview

- 6.26. The changes to the 2023-24 budget, needed to arrive at the proposed 2024-25 Cumberland net revenue budget, are summarised below:

**Table 20: 2024/25 Revenue Budget Overview**

<b>All Services/ Directorates</b>	<b>2024/25</b>	<b>2024/25</b>
<b>2023-24 Net Revenue Budget</b>		<b>303.279</b>
Non-Recurring growth	(7.059)	
Non-Recurring savings	9.405	
Non-Recurring Transition and Transformation	(30.000)	
Non-recurring exceptional financial support	40.000	
<b>Remove non-recurring items from budget</b>		<b>12.346</b>
<b>2023-24 Updated Baseline Budget</b>		<b>315.625</b>
Recurring Growth		51.615
Recurring Savings - BAU and Transformation	(20.252)	
Recurring Savings - Service Review and Mitigations	(15.598)	
Recurring Savings		(35.850)
<b>2024-25 Baseline Budget</b>		<b>331.390</b>
Non-Recurring Growth	0.347	
Non-Recurring Savings	(1.759)	
Transformation Plan	31.230	
Non-Recurring Capitalisation	(31.230)	
Non-Recurring net total		(1.412)
<b>2024/25 Net Service Expenditure budget</b>		<b>329.978</b>
EFS Application	(10.000)	
Planned use of earmarked balances / general fund	(0.964)	
Total EFS and reserves / balances		(10.964)
<b>2024/25 Net Budget Requirement</b>		<b>319.014</b>

## 7. Directorate Revenue Budgets

- 7.1. The proposed budget for each Directorate is shown in the table below. This is an indicative position whilst work is finalised on the allocations between the different Directorates, and Members are requested to delegate any final amendments to the Section 151 Officer, so long as the Net Revenue Budget remains the same.

**Table 21: Directorate 2024/25 Revenue Budget**

Directorate	Base Budget	Recurring		Base Budget	Non-Recurring		Net Service Expend' budget
		Growth	Savings		Growth	Savings	
	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Chief Executive	<b>0.233</b>	0.000	0.000	<b>0.233</b>	0.000	0.000	<b>0.233</b>
Assistant Chief Executive	<b>3.115</b>	0.098	(0.146)	<b>3.067</b>	0.000	0.000	<b>3.067</b>
Business Transformation & Change	<b>21.180</b>	4.728	(2.454)	<b>23.454</b>	0.140	0.000	<b>23.594</b>
Resources	<b>66.314</b>	27.139	(7.773)	<b>85.680</b>	0.207	(1.345)	<b>84.542</b>
Place, Sustainable Growth & Transport	<b>71.575</b>	0.900	(3.776)	<b>68.699</b>	0.000	(0.414)	<b>68.285</b>
Public Health & Communities	<b>4.760</b>	0.000	(0.257)	<b>4.503</b>	0.000	0.000	<b>4.503</b>
Adult, Social Care & Housing	<b>80.389</b>	4.750	(11.532)	<b>73.607</b>	0.000	0.000	<b>73.607</b>
Children & Family Wellbeing	<b>68.059</b>	14.000	(9.912)	<b>72.147</b>	0.000	0.000	<b>72.147</b>
<b>2024/25 Net Service Expenditure Budget</b>	<b>315.625</b>	<b>51.615</b>	<b>(35.850)</b>	<b>331.390</b>	<b>0.347</b>	<b>(1.759)</b>	<b>329.978</b>

\*Resources includes pay award, Inflation, Contingencies, and vacancy management savings

## 8. Fees And Charges

### Background and General Principles

- 8.1. The Council must ensure that the proportion of income raised from users of discretionary services meets the full cost of these services, rather than the costs falling on Council Taxpayers in general.
- 8.2. For some services, criteria may be set to apply concessions and other discretionary reductions in fees.

### Policy Framework

- 8.3. Fees and charges play a key role in furthering service and strategic objectives, and they should be considered and reviewed regularly. This should include the appropriateness and adequacy of the level of charges in force or being proposed.
- 8.4. This should be done within a general policy framework, which in turn should be carried out within the framework of the Council's service and budget planning process.
- 8.5. The policy allows the Council to have a properly considered, consistent and informed approach to all the charges it sets. This will support the delivery of the Council Plan and annual budget decision.

- 8.6. The policy applies to the setting and review of all fees and charges for Council services where the Council has discretion to apply a charge and discretion over the level of charge applied.

**Charging purpose**

- 8.7. Generally, services fall into six main categories for charging purposes. These categories are set out in the table below:

**Table 22: Categories For Charging Purposes**

Category	Objective
Full cost recovery	To maximise revenue with an overall objective of recovering the full cost of provision, including overheads and capital charges.
Full cost recovery with concessionary discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Subsidised	Widely accessible but users should make some contribution to the service.
Nominal	The council wishes the service to be fully available but sets a charge to discourage frivolous usage.
Free	To make the service fully available at no charge
Statutory	Charges are set in line with legal obligation

**Fees and Charges 2024/25**

- 8.8. In general terms, it is the Council’s policy that a charge should be levied for all discretionary services in accordance with this policy, unless there is a good reason why an exception should be made.
- 8.9. Primarily, responsibility rests with Service Managers to take appropriate action in relation to fees and charges levied for services.
- 8.10. For existing charges, there is to be a general policy presumption that the levels of fees and charges should rise, each year, in line with the rate of inflation, as determined as part of the budget planning process. For 2024-25, this has been determined to be 6.7%.
- 8.11. Service Managers must consider charging policies and current levels of fees/charges each year as part of the service and budget planning process. In line with the fees and charges policy framework for Cumberland, the assumption is that they will be maintained in real terms over time and increased in line with inflation annually.
- 8.12. General changes to fees and charges in line with inflation, would be approved as part of the budget setting process. On an exception basis where, following review, changes are proposed other than in line with inflation, as determined above, then a separate report would be presented to Executive.

- 8.13. Services provide a schedule of fees and charges for the forthcoming year as part of the annual budget process; following the approval of the budget these schedules are incorporated into a fees and charges booklet which is published on the Council's website.
- 8.14. For 2024/25 it is proposed that the approval of the fees and charges be delegated to the s151 officer, to ensure fees and charges are set in line with the approved charging categories.

## 9. Medium Term Financial Plan Forecasts

- 9.1. In line with the one-year finance settlement, this report sets out a balanced one-year only budget for 2024-25 along with an anticipated position for 2025-26 and 2026-27.
- 9.2. In determining the projections for 2025-26 and 2026-27, significant areas of uncertainty remain as to the Council's financial position in respect of both funding and spending assumptions. Whilst the Autumn Statement gave some information around the Government's spending plans, the detailed implications for local government remain unclear.

**Table 23: Medium Term Financial Plan**

<b>Net Budget Requirement</b>	<b>2023/24 £'m</b>	<b>2024/25 £'m</b>	<b>2025/26 £'m</b>
<b>Base Budget</b>	<b>315.625</b>	<b>331.390</b>	<b>332.759</b>
Recurring Growth	51.615	22.819	17.016
Recurring Savings - BAU and Transformation	(20.252)	(21.450)	(16.150)
Recurring Savings - Service Review and Mitigations	(15.598)	0.000	0.000
<b>Recurring (base) budget</b>	<b>331.390</b>	<b>332.759</b>	<b>333.625</b>
Non-Recurring Growth	0.347	0.411	0.151
Non-Recurring Savings	(1.759)	0.000	0.000
Transformation Plan	31.230	12.133	0.000
Non-Recurring Capitalisation	(31.230)	0.000	0.000
<b>Net Service Expenditure budget</b>	<b>329.978</b>	<b>345.303</b>	<b>333.776</b>
EFS Application	(10.000)	0.000	0.000
Planned use of earmarked balances / general fund	(0.964)	0.000	0.000
<b>Net Budget Requirement</b>	<b>319.014</b>	<b>345.303</b>	<b>333.776</b>

<b>Revenue Budget Financing</b>	<b>2023/24 £'m</b>	<b>2024/25 £'m</b>	<b>2025/26 £'m</b>
General Grants	61.977	58.512	58.590
Council tax – Cumberland	163.452	173.576	177.991
Collection fund surplus/(deficit) - Council Tax	(0.353)	0.000	0.000
NNDR funding	92.504	95.557	97.086
Collection fund surplus/(deficit) - NNDR	(3.566)	0.000	0.000
Less: Planned use of earmarked balances - NNDR	5.000	0.000	0.000
<b>Total funding</b>	<b>319.014</b>	<b>327.645</b>	<b>333.667</b>
<b>Budget Gap / (Surplus)</b>	<b>0.000</b>	<b>17.658</b>	<b>0.109</b>

## 10. Capital Budget

- 10.1. Capital expenditure includes the acquisition and construction of non-current assets, such as land and buildings, vehicles and plant which have a useful life in excess of 12 months, as well as expenditure on additions to, or enhancement of, existing non-current assets. It also includes items such as grants towards capital expenditure incurred by third parties (for example Disabled Facilities Grants). Legislation prescribes what constitutes capital expenditure.
- 10.2. The following paragraphs set out the Council's proposed capital programme for 2024-25 and the following two financial years (2025-26 and 2026-27) together with a summary of how this expenditure will be financed. The proposals also incorporate an update to the capital budget for 2023-24.
- 10.3. It should be noted that capital expenditure set out in the Authority's capital budget and the methods by which that expenditure is funded may also impact on the Authority's revenue budget. Where this is the case, the revenue implications of capital expenditure are dealt with as part of the Revenue Budget process. Examples of the revenue implications of capital expenditure include:
- increases/decreases in operating costs, e.g. utilities, maintenance, staff costs or increased income from new or enhanced assets.
  - the requirement to set aside from the General Fund an annual amount (the Minimum Revenue Provision), to meet the capital cost of expenditure funded from borrowing or other credit arrangements.
  - increased finance costs, either by way of interest on borrowing or the loss of income on investment balances, used to fund capital expenditure.

### **Financing the capital programme**

- 10.4. The framework for local authority capital finance is laid out in a series of legislations, statutory guidance, and codes of practice, and referred to collectively as the Prudential Framework. Under the Prudential Framework local authorities have the freedom to determine and self-regulate levels of capital expenditure and the amount of borrowing undertaken to fund that investment. In exercising those freedoms, authorities must however follow due process and be able to demonstrate the affordability, prudence and sustainability of their capital expenditure and borrowing plans.
- 10.5. As with any system of control over capital expenditure a key part of the Prudential Framework is the matching of expenditure to resources. Resources available to finance capital expenditure include:
- capital receipts (usable proceeds from asset sales)
  - capital grants and contributions from third parties
  - use of reserves i.e. General Fund and earmarked balances
  - direct financing from revenue.
- 10.6. An underpinning principle of the local authority financial system is that all capital expenditure must be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue income.
- 10.7. Capital expenditure not financed up-front from the application of capital grants, contributions, capital receipts or from revenue (including the use of reserves) remains unfinanced and result in an increase the Council's underlying need to borrow for capital purposes. This underlying need to borrow is measured by the capital financing requirement (CFR), further details on which are set out in the Authority's Treasury Management Strategy. The Council's underlying borrowing is not necessarily the same as its actual borrowing position. The level of external debt will be determined in accordance with the Council's Treasury Management Strategy and Practices. Consequently, whilst the CFR represent a key consideration in determining the level of borrowing required to fund capital expenditure, an increase in the Authority's underlying borrowing position will not necessarily mean a corresponding increase in the amount of external borrowing.
- 10.8. Statutory provisions set out the purposes to which the Authority can apply its available capital receipts. The uses specified in regulations include:
- to meet capital expenditure in the current year
  - to reduce the underlying borrowing requirement associated with capital expenditure not financed from capital receipts, grants or revenue
  - to pay a premium charged in relation to any amount borrowed
  - to meet the administrative costs of, or incidental to, a disposal of an asset.



10.9. In accordance with the Codes of Practice published by the Chartered Institute of Public Finance and Accountancy and good professional practice, capital receipts expected to be received in 2023-24 and subsequent years will only applied to fund new (capital) priorities where, after carrying out option appraisals and whole life costings, it can be demonstrated that this offers better value for money to the Authority when compared with alternative uses. Alternative uses include their application to reduce the underlying borrowing requirement associated with past expenditure.

### Proposed Capital Programme

10.10. The proposed capital programme covering 2024-25 and the following two financial years is set out in table 24 alongside an update to the 2023-24 capital budget. A summary of individual schemes included in the proposed capital programme analysed by Directorate is included in Appendix H.

**Table 24: Proposed Capital Programme & methods of financing**

	Proposed Budget			
	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m
<b>Capital Expenditure:</b>				
Adult Wellbeing and Housing	15.876	7.112	6.363	3.849
Business Transformation & Change	1.382	0.596	0.621	0.621
Children & Family Wellbeing	17.436	3.472	1.512	1.512
Place, Sustainable Growth & Transport	122.612	218.394	110.379	12.673
Resources	13.270	5.822	4.301	4.348
Exceptional Financial Support	12.850	41.230	12.133	0.000
<b>Proposed Capital Programme</b>	<b>183.426</b>	<b>276.626</b>	<b>135.309</b>	<b>23.003</b>
<b>Financed by:</b>				
Capital receipts	1.278	1.433	0.088	0.000
Capital grants & contributions	135.071	208.715	93.103	12.270
Revenue (GF & Earmarked Reserves)	1.951	1.373	0.000	0.000
<b>Total Expenditure Financed</b>	<b>138.300</b>	<b>211.521</b>	<b>93.191</b>	<b>12.270</b>
Unfinanced capital expenditure:				
Supported borrowing <sup>1</sup>	0.000	0.000	0.000	0.000
Unsupported borrowing	45.126	65.105	42.118	10.733
Leasing (credit arrangements)	0.000	0.000	0.000	0.000
<b>Total Financed &amp; Unfinanced</b>	<b>183.426</b>	<b>276.626</b>	<b>135.309</b>	<b>23.003</b>

10.11. The proposed capital programme includes the following changes to the existing four- year capital programme:

**Table 25: Summary of changes to existing capital programme**

	Proposed Budget			
	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m
Capital Programme - approved 1 Mar. 2023	174.107	77.855	44.636	23.003
Capitalisation Direction (EFS)	40.000	0	0	0
<b>Approved capital expenditure (1 Mar. 2023)</b>	<b>214.107</b>	<b>77.855</b>	<b>44.636</b>	<b>23.003</b>
Budgets carried forward from 2022-23	73.674	0	0	0
In year adjustments approved at Q2 2023-24	1.562	0	0	
<b>Capital Programme - current (Q2 2023-24)</b>	<b>289.343</b>	<b>77.855</b>	<b>44.636</b>	<b>23.003</b>
<b>Proposed Revisions to Current budget:</b>				
Proposed Programme revisions Q3	41.810	0	0	0
Reprofiling adjustments to capital expend.	(119.487)	71.282	48.205	0
Other Growth/savings	(1.090)	86.259	30.335	0
Reprofile use of Capitalisation Direction	(27.150)	27.150	0	0
Uplift to Capitalisation Direction ask	0	14.080	12.133	0
<b>Total revisions to capital expenditure</b>	<b>(105.917)</b>	<b>198.771</b>	<b>90.673</b>	<b>0</b>
<b>Proposed Capital Programme</b>	<b>183.426</b>	<b>276.626</b>	<b>135.309</b>	<b>23.003</b>

10.12. The table above provides for each of the four years covered by the current four-year capital budget, a reconciliation between the capital budget approved by the Cumberland Shadow Authority in March 2023 and the capital budget now being proposed. The reconciling items presented above consist of:

- (i). £75.236m of in-year changes to the 2023-24 capital budget and previously approved by Executive. These comprise:
- £73.674m in respect of budgets carried forward from 2022-23 (as reported in the 2022-23 outturn report)
  - £1.562m of in -year adjustments made in Q2 of 2023-24 (approved by Executive in December 2023), to reflect changes to grant funding during the course of the year.

- (ii). £183.527m proposed revisions to the current four- year capital budget. This includes:
- £41.810m of additional in year budget adjustments to the 2023-24 capital budget to reflect changes to available grant funding (as at quarter 3 of 2023-24)
  - £115.504m of other growth/savings adjustments.
  - £26.213m increase in the capital budget to reflect the increased Exceptional Financial Support ask (request for Capitalisation Direction) submitted to Government
- (iii). re-profiling adjustments of:
- £119.487m of capital expenditure reprofiled across financial years to better reflect the current delivery programmes and associated expenditure profiles related to several key capital projects. Whilst this reprofiling impacts on total planned expenditure in financial years 2023-24, 2024-25 and 2025-26 it does not alter the total capital expenditure across the programme as a whole.
  - £27.150m reprofiling adjustment to reflect anticipated use of the Exceptional Financial Support (Capitalisation Direction) included in the current budget

10.13. Details of additional in year budget adjustments to the 2023-24 capital budget and related financing adjustment are summarised in the table below:

**Table 26: In year adjustments to the current 2023-24 capital budget**

	<b>2023/24 £m</b>
Repayment of Sustainable Warmth Grant	(1.808)
LTA grant towards Bitts Park Improvements	0.080
Carlisle Southern Link Road Grant	40.855
Family Hubs Grant	0.167
Additional Roads Funding	1.949
National Highways Contribution	0.100
s106 contribution to William Howard School Improvements	0.467
Virement from Major Projects Match funding	(0.362)
Virement to Carlisle Station Gateway	0.362
<b>Total Capital Expenditure Adjustment</b>	<b>41.810</b>
<b>Financing Adjustment - Grants</b>	<b>41.810</b>

10.14. Table 27 provides further analysis of the reprofiling adjustments included in table 26 above:

**Table 27: Reprofiling adjustments to the capital programme**

	2023/24 £'m	2024/25 £'m	2025/26 £'m
Carlisle Southern Link Road (CSLR)	(5.000)	(0.556)	5.556
Crematorium Infrastructure	(3.000)	3.000	0.000
Energy Coast Resilient Routes (Levelling Up)	(13.567)	13.567	0.000
Future High Street Fund - Carlisle	(6.179)	6.179	0.000
Future High Street Fund - Maryport	(6.125)	6.125	0.000
Industrial Solutions Hub (iSH) Enterprise Campus (Levelling Up) / Leconfield Development	(27.085)	7.367	19.718
Town Deal - Cleator Moor	(18.864)	7.403	11.461
Town Deal - Millom	(8.401)	4.784	3.617
Town Deal - Carlisle	(4.636)	2.429	2.207
Town Deal - Workington	(17.073)	11.427	5.646
Tullie House	(0.500)	0.500	0.000
Workington Gateway (Levelling Up)	(9.057)	9.057	0.000
	<b>(119.487)</b>	<b>71.282</b>	<b>48.205</b>
Capitalisation Direction (EFS)	(27.150)	27.150	0.000
	<b>(146.637)</b>	<b>98.432</b>	<b>48.205</b>
<b>Financed by:</b>			
Grants	(97.423)	64.487	32.936
Capital Receipts	(0.162)	0.162	0.000
Revenue Earmarked Reserves	(1.400)	1.400	0.000
General Fund Balances	0.000	0.000	0.000
Prudential Borrowing (unfinanced expenditure)	(47.652)	32.383	15.269
	<b>(146.637)</b>	<b>98.432</b>	<b>48.205</b>

## Other Capital Growth and Savings Adjustments

- 10.15. Details of Other Capital Growth and Savings adjustments, submitted as part of the 2024-25 budget process, are summarised in table 28.

**Table 28: Other Capital Growth and Savings adjustments**

	2023/24 £'m	2024/25 £'m	2025/26 £'m
Carlisle Southern Link Road (recognition of grant funded expenditure)	0.000	86.684	30.335
Mandatory Disabled Facilities & Housing Grants <sup>1</sup>	(1.090)	0.000	0.000
Cumbria Coastal Community Forest - Non-LEP	0.000	(0.425)	0.000
	<b>(1.090)</b>	<b>86.259</b>	<b>30.335</b>
<b>Financed by</b>			
Grant	0.000	86.259	30.335
Borrowing (unfinanced expenditure)	(1.090)	0.000	0.000
	<b>(1.090)</b>	<b>86.259</b>	<b>30.335</b>

<sup>1</sup> removal of budget funded from borrowing following budget uplift of £1.190m - funded from grant, approved by Executive in December

- 10.16. From 1 April 2024 changes to the rules governing the accounting treatment of leases, mean that, except for short-term leases and leases of low-value assets, all leased assets and the related lease liabilities will be recognised on the Authority's balance sheet. Under these new requirements the acquisition of an asset under a lease (excluding short-term leases and leases of low-value assets) will be treated as capital expenditure. Pending completion of an impact assessment of the new accounting requirements the proposed budget excludes any specific provision for the (capital) cost of assets acquired under lease. Adjustments to the capital budget may therefore be required to meet the initial capital cost of assets acquired under leasing arrangements during 2024-25 and the remeasurement of existing lease liabilities and associated right-of-use assets. However, any such adjustment will be made only where the revenue financing costs associated with leased assets (Minimum Revenue Provision and interest on the lease liability) can be met from existing revenue budgets.

### Financing of capital expenditure

- 10.17. Total capital expenditure across the proposed four-year programme (including the proposed revised 2023-24 capital budget) is £618.364m (including £183.426m relating to 2023-24). This represents a net increase of £258.763m when compared to the budget of £359.601m approved by the Shadow Authority in March 2023. Compared to the current capital budget the net increase in the capital budget resulting from the proposals set out in this report is £183.527m. Of this £158.404m is funded from grants, £28.322 borrowing less (£3.199m) from a combination of capital receipts and revenue contributions.

10.18. Across the four-year programme as a whole, £455.282m will be financed from:

- capital grants and contributions of £449.159m (£135.071m in 2023-24, £208.715m in 2024-25 and £93.103m in 2025-26 and £12.270m in 2026-27)
- capital receipts of £2.799m (including £1.278m in 2024-25, £1.433m in 2025-26 and £0.088m in 2026-27).
- revenue contributions (including use of reserves of £3.324m (£1.951m in 2023-24 and £1.373m in 2024-25

10.19. The remaining capital expenditure within the four-year programme, £163.082m across the four years, is unfinanced and will be met from borrowing. Borrowing will be undertaken in accordance with the Council's Treasury Management Strategy, either through additional PWLB loans or by using cash and investment balances (internal borrowing).

10.20. The £163.082m of unfinanced expenditure included in the capital budget proposals reflects a net increase in the total expenditure funded from borrowing of £29.930m when compared to the total of £133.152m included in the current capital programme. This increase comprises:

- £1.594m - removal of unrealised capital receipts from financing and replaced with borrowing
- £26.212m - increase in Exceptional Financial Support ask (Capitalisation Direction) funded from borrowing
- £3.214m - Removal of revenue contributions to finance capital expenditure (replaced with borrowing), less
- £1.090m - removal of DFG budget funded from borrowing

10.21. The revenue implications of this unfinanced capital expenditure, including amounts chargeable to the general fund in respect of the associated minimum revenue provision and interest costs on additional borrowing, is included in the revenue budgets for 2023-24 and subsequent years.

10.22. Further details of all schemes included in the proposed three-year capital programme 2023-24 to 2026-27 are set out in Appendix H

## 11. Reserves

11.1. The current projected position on General Fund and Earmarked Reserves is set out in the table below.

**Table 29: Reserves**

	<b>General Fund (GF) £'m</b>	<b>EMR £'m</b>	<b>School £'m</b>	<b>DSG £'m</b>	<b>TOTAL £'m</b>
<b>Opening Balance</b>	<b>(26.969)</b>	<b>(81.807)</b>	<b>(4.806)</b>	<b>12.290</b>	<b>(101.292)</b>
Use for capital programme	0.357				0.357
Planned use to support Revenue Budget	20.568				20.568
Contributions	(7.000)				(7.000)
Grants to be released	(2.626)	2.626			0.000
Misc' to be released	(13.188)	13.188			0.000
NNDR volatility release	5.000				5.000
Support 2024-25 Revenue Budget	11.000				11.000
<b>Estimated Balance</b>	<b>(12.858)</b>	<b>(65.993)</b>	<b>(4.806)</b>	<b>12.290</b>	<b>(71.367)</b>

- 11.2. The Earmarked Reserve (EMR) and School 'estimate balance' shown in this table reflects the amount expected to be available to finance expenditure during 2023/24, 2024/25 and subsequent financial years. The actual balance of those reserves that will be available at the end of 2023/24 and be carried forward to 2024/25 is subject to change as reserves are released to finance expenditure during 2023/24. This position is monitored and reported as part of the in-year budget monitoring and quarterly reporting process.
- 11.3. Government have confirmed that they have extended the DSG statutory override for a further 3 years up to March 2026. DFE guidance states that "DSG is a ringfenced specific grant separate from general funding of local authorities and that any deficit an authority may have on its DSG account is expected to be carried forward to the next years' schools' budget and does not require to be covered by the authority's general reserves. The opening balance of these reserves is shown in the table above, with the in-year changes being included as part of the in-year budget monitoring and quarterly reporting process.

## **12. Chief Finance Officer (CFO) Report and Advice on The Robustness of The Budget and Adequacy of Reserves and Balances**

12.1. Under the terms of section 25 of the Local Government Act 2003, the Section 151 Officer is required to report to Council on two specific matters:

- the robustness of the estimates included in the budget.
- the adequacy of the reserves for which the budget provides.

12.2. Section 26 of the same Act places an onus on the Chief Finance Officer to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could be reasonably defined within finalising the proposed budget.

12.3. This report has been prepared by the CFO (Section 151 officer) to fulfil this duty and the Council has a statutory duty to have regard to this consideration when making its decision about the proposed budget, medium-term financial plan, and council tax requirement.

### **Robustness of Estimates**

12.4. The preparation of a budget relies on estimates, which are made at a point in time. During the financial year there are a number of factors that can influence both expenditure and income, but processes are in place to give assurance that this budget has been constructed using the best available information and assumptions at the time of preparation. This assurance includes:

- Ensuring the identification of budget pressures through the in-year monitoring are reflected,
- Involvement of the Directors and their management teams in the development of these proposals, and reliance on budget managers having arrangements in place to identify issues early and project the likely demand for services,
- Regular oversight of the proposals by Executive members.

### **Budget 23-24 key risks**

12.5. It was noted last year that the first cut of a new council budget would inevitably be imperfect, risk-based and that better information would be ascertained once the new council comes into existence. Estimates used in the Budget for 2023-24 were therefore based on pragmatic assumptions.

12.6. Throughout the current year, the council has recognised a material change in the risk profile of the 2023-24 Budget. The significant factors associated with this position can be summarised as:-



- High levels of financial planning uncertainty due to the impacts of local government reorganisation and the effects of disaggregation of the County Council.
- Non delivery of in-year corporate savings and delays to the Transformation Programme.
- The increasing cost of social care, particularly Children’s Services, due to increased demand and complexity of need together with the increased cost of providing care.
- The impact of pay and price pressures which are in excess of the level of resources provided for by Government in the annual settlement.
- Projected adverse variance of £9m at end of Quarter 2 and the impact of the “minded to” capitalisation directive.
- Nationally, council finances are in a critical state and there is growing concern with regard to an increasing number of councils reporting both overspends and significant estimated budget gaps in future financial years, which provides a challenge to financial sustainability.

#### **Identification of pressures**

- 12.7. Provision for pay awards and savings from the delay in replacing staff (vacancy management) have been estimated and included based on information from HR and included at 3%. The council would need to set aside approximately £1.5m for every additional 1% pay award.
- 12.8. Consideration of several proposals designed to reduce the cost of the staffing establishment is fundamental to the delivery of the medium-term financial plan. This includes increasing the target saving through vacancy management – ie delays in replacing staff - by £1m.
- 12.9. The reversal of the non-delivery of previous savings not achieved has been included in the 2024-25 budget position. Some service pressures have not been included, and reliance is placed on budget managers to mitigate the pressures.

#### **Transformation Programme and Savings**

- 12.10. To deliver the efficiencies required following LGR there is a need to undergo service transformation to bring together and integrate all our service areas. This will require significant investment and a further request has been made to the Department for Levelling Up Housing and Communities (DLUHC) for exceptional financial support to assist the council in managing the transformation.

- 12.11. This budget has been proposed predicated on the “minded to” position for 2023-24 being approved as a capitalisation directive and a further approval being granted for 2024-25.
- 12.12. The ambition of Cumberland Council is to maximise the opportunities of becoming a unitary council and to develop a modern organisation and culture that is more effective and efficient. During this first year (2023-24) a significant amount of work has been undertaken to lay the groundwork for Transformation.
- 12.13. A critical issue in the MTFP and the request for EFS is that the council will generate capital receipts to finance its Transformation Programme from 2025-26. The extent to which these receipts can be realised will be conditional on the identification and disposal of such assets in the asset management plan and capital disposal strategy. Current monitoring indicates that this will be challenging to deliver, and decision making will need to be prompt to ensure sales can be completed and receipts banked in time to fund the transformation expenditure.
- 12.14. The transformation and savings that have to be delivered in this budget year are £37.609m rising to £73.450m by 2026-27. This will be a significant challenge to deliver – but it has been made expressly clear to SLT and Executive that it is essential that these savings are achieved in year to support the robustness of the MTFP.
- 12.15. It is important to emphasise that to achieve the required reduction in the base budget the savings have to be:
- Revenue and not Capital related.
  - Budgeted and not unbudgeted expenditure.

### **Adequacy of Reserves**

- 12.16. Reserves provide the cushion to deal with uncertainty, risks and unforeseen events in the year, and the opportunity to respond to service changes outside existing plans. They provide flexibility and are key to a financially sustainable Council.
- 12.17. There is no set formula for deciding what level of reserves is adequate. Councils are free to determine the reserves they hold and for ensuring that they are appropriate to address local circumstance. As these needs will vary over time and between authorities, there is no “correct” level of reserves.
- 12.18. In light of the financial situation the Council faces, the assessment of the level of reserves required and the use of them is critical to maintaining our financial resilience. The level of risk appetite around the level of reserves held should be considered in the context of the potential demand and cost pressures being faced, as well as the service delivery aspirations and the need to deliver significant levels of savings and efficiencies in balancing the 2024-25 budget.

- 12.19. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for the high levels of uncertainty around the deliverability of the Transformation Programme. This shows a clear commitment to prudent contingency planning.
- 12.20. Analysis on the council's earmarked reserves is currently being reviewed to identify if the requirement for setting aside the reserve is still relevant for Cumberland and for opportunities to release sums back into the general unearmarked balances where possible.
- 12.21. Whilst the reserves may be adequate to support the revenue budget for 2024-25, they would drop to a level below what would be recommended as the minimum level of reserves. The requirement to deliver significant transformation and savings in-year exposes the council to significant financial risk. There is therefore a need to maintain reserves at a sufficient level to mitigate should these savings not materialise as expected. It is recommended that the minimum level of reserves required to address risk is £25m.
- 12.22. For these reasons, the request to DLUHC for EFS for 2024-25 includes a request to be able to use capital flexibilities to address the budget gap and maintaining a legally balanced budget.
- 12.23. The Councils policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit, and steps taken to address the situation in the following years.
- 12.24. The Government have confirmed that they have extended the DSG statutory override for a further 3 years up to March 2026. DFE guidance states that "DSG is a ringfenced specific grant separate from general funding of local authorities and that any deficit an authority may have on its DSG account is expected to be carried forward to the next years' schools' budget and does not require to be covered by the authority's general reserves.

**Opinion of the Chief Finance Officer (S151 Officer)**

- 12.25. The future financial sustainability of the council continues to be vested in the success of its transformation programme and securing the capitalisation direction to enable the investment in the transformation.
- 12.26. Significant transformation efficiencies and savings have now been identified and priority projects, such as Pay and Grading and Demand Prevention and Management, scoped and initiated. It is vital that the critical path for the programme is developed and managed.
- 12.27. Experience from other local authorities is that such programmes are often overly optimistic around the timescales and amounts of savings that can be delivered.

- 12.28. Whilst the transformation programme will ensure that the council is as efficient and productive as possible, it needs to be recognised that there is a real need to deliver services within the financial envelope available.
- 12.29. The council now has a well-developed Transformation Plan driven by the three themes of People & Culture, Technology and Operating Model with a portfolio of programmes approach to ensure inter-connectivity between the themes.
- 12.30. The framework is in place with allocated Senior Responsible Officers for each programme with clear monitoring and reporting boards. It does have to be noted though that current budget pressures together with recruitment and retention of staffing issues, will make it challenging to identify sufficient resources to support service transformation.
- 12.31. The need for strong governance and transparency of progress and reporting will be critical and will require Members to make difficult decisions about service modernisation, use of automation and reduction of head count, assets utilisation and rationalisation in order to ensure finance sustainability.
- 12.32. Given all the above, I consider the budget estimates for 2024-25 to be sufficiently robust and recommend for approval by Council.

### **13. Conclusion and reasons for recommendations**

- 13.1. The Council's current and future financial sustainability will require the successful delivery of its transformation programme and will require strong financial governance and leadership.
- 13.2. In conclusion, the recommendations are for Executive to:

Approve the 2024-25 Budget for recommendation to Council for approval and adoption including: -

- The General Fund net revenue budget for 2024-25 of £319,014,005, as outlined in Appendices A to G
- Note the position on Directorate budgets, and delegate any final amendments between Directorates to the Section 151.
- Approve the calculation of the Authority's Council Tax Base for the financial year 2024-25, including determining the appropriate council tax discounts, of 89,966.79.
- Approve the determination to introduce a second home Council Tax premium of up to 100% with effect from 1<sup>st</sup> April 2025, in accordance with the requirements of The Levelling up and Regeneration Act.

- Band D Council Tax in 2024-25 of £1,816.80 for Cumberland Council which represents an increase of 4.99% on Council Tax levied across the Cumberland area (2.99% increase in core council tax and 2% Adult Social Care precept)
- Delegate the approval of fees and charges to the S151, in consultation with the PH Finance and assets, to ensure they are set in line with the approved fees and charges policy.
- The capital programme as set out in Appendix H
- Notes the consultation feedback on the budget as set out in Appendix I
- Notes the S25 statement of the Chief Finance Officer as set out in Section 12 and the risk-based assessment of the level of General Fund Balances

### **Implications:**

#### **Contribution to the Cumberland Plan Priorities -**

The Budget is set to support the Council in achieving its priorities as set out in the Council Plan and to facilitate control of expenditure on its activities. Sound financial management is essential to successful delivery of the Council's financial plans, achievement of value for money and the stewardship and safeguarding of public money.

#### **Relevant Risks and explain how risks can be mitigated -**

As set out within the body of the report and S25 report.

#### **Consultation / Engagement -**

A public consultation was held between 15<sup>th</sup> December 2023 and 12<sup>th</sup> January 2024. A summary of the responses is included within the body of the report and the Appendix I.

#### **Legal –**

It is the role of the Executive to formulate a budget (calculations as to the council tax requirement) and to recommend those calculations to the Council for its consideration. It will then be the role of the budget meeting of Council to adopt that budget or, at that stage, to object to the budget proposals giving reasons why.

The Authority must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

Section 30(6) of the Local Government Finance Act 1992 provides that the Council has to set its budget before 11<sup>th</sup> March in the financial year preceding the one in respect of which the budget is set.

Members must bear in mind their fiduciary duty to the council taxpayers. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.

Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided. Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably. Where a service is derived from a statutory power and is in itself discretionary that discretion should be exercised reasonably.

The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of functions and services which they consider should be provided, against the costs of providing such services.

The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to the Council when setting the budget and to the Executive when considering particular decisions.

Once a budget is in place, the Executive holds the responsibility to implement it in accordance with its responsibility for functions. In doing so, the Executive may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.

It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that proposals (spending and savings) are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms, including risks, associated with those proposals.

Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

**Finance –**

The financial implications are all contained within the body of the report.

**Information Governance –**

There are no specific information governance issues arising from this report

**Impact Assessments –**

To be considered as part of the Transformation Programme

**Lead Officer Contact details:**

Name: Catherine Bell  
Email: Catherine.bell@cumberland.gov.uk  
Phone Number: 07711 634180

**Background papers:**

Finance working papers and Transformation Programme

**Appendices attached to report:**

- Appendix A: Summary 2024-25 Budget Position
- Appendix B: Recurring Growth
- Appendix C: Non-Recurring Growth
- Appendix D: Recurring Savings – Transformation and BAU
- Appendix E: Recurring Savings – Service review and budget mitigations
- Appendix F: Non-Recurring Savings – Transformation and BAU
- Appendix G: Non-Recurring Savings – Service review and budget mitigations
- Appendix H: Capital Budget 2023-24 to 2026-247
- Appendix I: Public Consultation
- Appendix J: Budget Book

This page is intentionally left blank



## Appendix A: 2024-25 Revenue Budget overview

Revenue Budget Requirement	2024/25 £m
<b>Base Budget</b>	<b>315.625</b>
Recurring Growth	51.615
Recurring Savings - BAU and Transformation	(20.252)
Recurring Savings - Service Review and Mitigations	(15.598)
<b>Recurring (base) budget</b>	<b>331.390</b>
Non-Recurring Growth	0.347
Non-Recurring Savings	(1.759)
Transformation Plan	31.230
Non-Recurring Capitalisation	(31.230)
<b>Net Service Expenditure budget</b>	<b>329.978</b>
EFS Application	(10.000)
Planned use of earmarked balances / general fund	(0.964)
<b>Net Budget Requirement</b>	<b>319.014</b>
<b>Funded by:</b>	
General Grants	61.977
Council tax – Cumberland	163.452
Collection fund surplus/(deficit) - Council Tax	(0.353)
NNDR funding	92.504
Collection fund surplus/(deficit) - NNDR	(3.566)
Planned use of balances (NNDR)	5.000
<b>Total funding</b>	<b>319.014</b>
<b>Gap / (Surplus)</b>	<b>0.000</b>

This page is intentionally left blank

## Appendix B– Recurring Growth

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Adult, Social Care & Housing	23/24 savings not achieved in year, replaced by savings delivered through the Transformation Plan	1.500	0.000	0.000
Adult, Social Care & Housing	Increase in demand for older adults (aged 65+) residential and support at home	0.500	0.000	0.000
Adult, Social Care & Housing	Increase in demand for younger adults (aged 18-to-64) residential and support at home	2.000	0.000	0.000
Adult, Social Care & Housing	Budget re-baselining for reablement and extra care services	0.750	0.000	0.000
Children & Family Wellbeing	Demand pressure in Cared for Childrens	7.000	0.000	0.000
Children & Family Wellbeing	Demand and Cost pressure on home to school and SEND transport	3.500	0.000	0.000
Children & Family Wellbeing	Increase in demand for direct payment	0.500	0.000	0.000
Children & Family Wellbeing	Increase in demand for pathway services	1.000	0.000	0.000
Children & Family Wellbeing	Increase in demand for special guardianship orders	0.500	0.000	0.000
Children & Family Wellbeing	23/24 savings not achieved in year, replaced by savings delivered through the Transformation Plan	1.500	0.000	0.000
Assistant Chief Executive	Head of Service for Performance and Analysis	0.098	0.000	0.000
Business Transformation & Change	23/24 savings not achieved in year, replaced by savings delivered through the Transformation Plan	4.123	0.000	0.000
Business Transformation & Change	Re-baselining Apprentice Levy budget	0.140	0.000	0.000
Business Transformation & Change	Re-baselining Organisational Development and Workforce Training (ODWT) budget following service disaggregation	0.060	0.000	0.000
Business Transformation & Change	Staffing pressure in Digital & Intelligent Automation teams	0.130	0.000	0.000

## Appendix B– Recurring Growth

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Business Transformation & Change	ICT Cyber Resilience reduced external funding	0.100	0.000	0.000
Business Transformation & Change	Reduced commission from Yorkshire Purchasing Organisation (YPO)	0.175	0.000	0.000
Place, Sustainable Growth & Transport	Increased streetlighting running costs	0.200	0.000	0.000
Place, Sustainable Growth & Transport	Waste Disposal costs	0.700	0.000	0.000
Resources	Increase in inflation, pay award and pay increments	19.787	18.373	15.283
Resources	Corporate contingency	1.000	0.000	0.000
Resources	Capital Financing Costs	2.121	4.446	1.733
Resources	Staffing pressure for Personal Assistant capacity, service review undertaken to off-set with savings	0.276	0.000	0.000
Resources	Re-baselining Service Centre and Ceremony Income budgets	0.752	0.000	0.000
Resources	Increase in external audit fees	0.410	0.000	0.000
Resources	Member allowances	0.359	0.000	0.000
Resources	Coroners Service Pressure	0.339	0.000	0.000
Resources	Car Parking Income shortfall against budget	0.675	0.000	0.000
Resources	Reduced Rental Income	0.805	0.000	0.000
Resources	Staffing pressure for business administration, service review undertaken to off-set with savings	0.616	0.000	0.000
<b>Total</b>		<b>51.615</b>	<b>22.819</b>	<b>17.016</b>

## Appendix C – Non-Recurring Growth

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Resources	Temporary capacity within Customer Solutions to ensure effective management of transition and transformation	0.082	0.000	0.000
Resources	Temporary capacity with Finance to ensure sufficient resource during 2024/25 to manage closure of Copeland legacy accounts	0.125	0.000	0.000
Assistant Chief Executive	Cumberland Local Plan development programme	0.000	0.271	0.151
Business Transformation & Change	Temporary TU Facilities time to support transition and transformation	0.140	0.140	0.000
<b>Total</b>		<b>0.347</b>	<b>0.411</b>	<b>0.151</b>

This page is intentionally left blank

## Appendix D Recurring Savings – Transformation and BAU

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Business Transformation & Change	Transformation - Pay and Grading implementation	(1.000)	(4.000)	(5.000)
Business Transformation & Change	Transformation - Harmonised Enterprise Resource Planning, HR, Payroll and Finance systems	0.000	(0.250)	(0.250)
Business Transformation & Change	Transformation - Single platform for Microsoft licensing	0.000	(0.250)	(0.250)
Business Transformation & Change	Transformation - Enabling enterprise architecture	0.000	0.000	(2.000)
Place, Sustainable Growth & Transport	Re-baselining Recycling credit budget	(0.475)	0.000	0.000
Place, Sustainable Growth & Transport	Fees and charges inflation	(0.517)	0.000	0.000
Place, Sustainable Growth & Transport	Transformation - Leisure Service Review	(0.143)	(0.200)	0.000
Place, Sustainable Growth & Transport	Transformation - Waste services review and future delivery options	(0.200)	(0.800)	0.000
Place, Sustainable Growth & Transport	Transformation - maximise opportunity for full costs recovery	(0.050)	(0.100)	0.000
Place, Sustainable Growth & Transport	Transformation - maximising opportunity for discretionary services income and developer contributions	(0.061)	(0.050)	0.000
Public Health and Communities	Fees and charges inflation	(0.007)	0.000	0.000
Resources	Transformation - Fleet savings	(0.025)	(0.250)	0.000
Resources	Additional Rental Income	(0.075)	0.000	0.000
Resources	Re-baselining office accommodation budget	(0.450)	0.000	0.000
Resources	Fees and charges inflation	(0.190)	0.000	0.000
Resources	Transformation - Define pre-front door	(1.000)	(2.000)	(2.000)
Resources	Transformation - Highways	0.000	(1.000)	0.000
Resources	Transformation - Asset Rationalisation	0.000	(2.500)	(3.500)
Resources	Transfer of Charter Trustee for Carlisle	(0.035)	0.000	0.000
Adult, Social Care & Housing	Fees and charges inflation	(0.875)	0.000	0.000

## Appendix D Recurring Savings – Transformation and BAU

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Adult, Social Care & Housing	Re-baseline fees and charges for change in demand	(0.900)	0.000	0.000
Adult, Social Care & Housing	Transformation - Commissioning arrangements with adult social care key partners	(1.300)	0.000	0.000
Adult, Social Care & Housing	Transformation - Development of practice through improved use of ICT systems, digital and assistive technology	(0.250)	0.000	0.000
Adult, Social Care & Housing	Transformation - Review of residential beds, domiciliary care and direct payments	(0.250)	0.000	(0.250)
Adult, Social Care & Housing	Transformation - Review of assessment processes relating to Mental Health (section 117) and Continuing Health Care (CHC) cases	(0.100)	0.000	(0.150)
Adult, Social Care & Housing	Transformation - Review of fees and charges in Adults social care	(0.750)	0.000	0.000
Adult, Social Care & Housing	Transformation - Review of Day Services	(0.250)	(0.250)	0.000
Adult, Social Care & Housing	Transformation - Review of Housing Services	(0.200)	0.000	0.000
Adult, Social Care & Housing	Transformation - External review of Adults services	(0.500)	(0.500)	0.000
Adult, Social Care & Housing	Transformation - Review and re-shape of Cumberland Care	(0.750)	(1.250)	0.000
Children & Family Wellbeing	Transformation -SEND transport review	(1.000)	(2.000)	(2.000)
Children & Family Wellbeing	Transformation - Home to school transport review	(0.500)	0.000	0.000
Children & Family Wellbeing	Transformation - Review of appropriate funding of Cared for Children costs	(1.000)	(0.500)	0.000
Children & Family Wellbeing	Transformation - Review of provision of cared for children costs	(4.000)	(2.000)	0.000
Children & Family Wellbeing	Transformation - Review high cost placement	(2.000)	0.000	0.000
Children & Family Wellbeing	Transformation - increased provision of residential homes in Cumberland	0.000	(1.000)	0.000



## Appendix D Recurring Savings – Transformation and BAU

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Children & Family Wellbeing	Transformation - Direct payment review	(0.100)	(0.400)	(0.250)
Children & Family Wellbeing	Transformation - Pathway payment review	(0.150)	(0.850)	0.000
Children & Family Wellbeing	Transformation - Review grants to third party	(0.400)	0.000	0.000
Children & Family Wellbeing	Transformation - Increase provision of in-house foster carers	(0.250)	0.000	0.000
Children & Family Wellbeing	Transformation - reduce external expenditure	0.000	(0.300)	0.000
Children & Family Wellbeing	Transformation - Development of alternative care models and associated accommodation	(0.500)	(1.000)	(0.500)
<b>Total</b>		<b>(20.253)</b>	<b>(21.450)</b>	<b>(16.150)</b>

This page is intentionally left blank

## Appendix E Recurring Savings – Service review and budget mitigations

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Assistant Chief Executive	Vacancy Management / restructure	(0.146)	0.000	0.000
Business Transformation & Change	Budget Mitigation to off-set Apprentice Levy, which is currently exceeding budget	(0.140)	0.000	0.000
Business Transformation & Change	Operational Efficiencies : ICT contract cost and removal of duplicated systems	(0.149)	0.000	0.000
Business Transformation & Change	Operational Efficiencies : Major contract review and renewal	(1.000)	0.000	0.000
Business Transformation & Change	Vacancy Management / restructure	(0.165)	0.000	0.000
Place, Sustainable Growth & Transport	Third Party Payments	(0.045)	0.000	0.000
Place, Sustainable Growth & Transport	Concessionary Travel, reduced demand	(1.440)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies – leisure, festivals and events	(0.080)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - Saving on Beacon business rates following national change to business rates discount and exemptions in 2023/24	(0.130)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - Reduce Street cleansing overtime	(0.035)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - Environment general savings through more efficient service management	(0.020)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - alternative financings for lake district contributions	(0.020)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - Green spaces general savings through more efficient service management	(0.040)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - Bereavement services general savings through more efficient service management	(0.050)	0.000	0.000
Place, Sustainable Growth & Transport	Operational Efficiencies - Charging for replacement bins and managing number of requests made	(0.150)	0.000	0.000

## Appendix E Recurring Savings – Service review and budget mitigations

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Place, Sustainable Growth & Transport	Vacancy Management / Restructure - Thriving Places and Investment	(0.101)	0.000	0.000
Place, Sustainable Growth & Transport	Additional Income - Marketing and events	(0.050)	0.000	0.000
Place, Sustainable Growth & Transport	Additional Income - income generation from climate advisory role	(0.015)	0.000	0.000
Place, Sustainable Growth & Transport	Additional Income - Additional income for flood and coastal service	(0.023)	0.000	0.000
Place, Sustainable Growth & Transport	Additional Income from Nuclear services	(0.127)	0.000	0.000
Public Health & Communities	Grant Maximisation	(0.123)	0.000	0.000
Public Health & Communities	Operational Efficiencies	(0.032)	0.000	0.000
Public Health & Communities	Vacancy Management / Restructure	(0.095)	0.000	0.000
Resources	Vacancy Management / Restructure - Customer Solutions: customer services, Business Administration and support . Additional also under development and review	(1.097)	0.000	0.000
Resources	Vacancy Management / Restructure - Chief Legal Officer	(0.065)	0.000	0.000
Resources	Vacancy Management / Restructure - Chief Legal Officer , additional income	(0.032)	0.000	0.000
Resources	Treasury Management and Capital Financing	(3.325)	0.000	0.000
Resources	Assets and Fleet - alternative Capital Financing (remove revenue financing and finance from borrowing or capital receipts)	(0.558)	0.000	0.000
Resources	Assets and Fleet -rental increases	(0.200)	0.000	0.000
Resources	Assets and Fleet - Corporate Landlord property management efficiencies	(0.603)	0.000	0.000
Resources	Assets and Fleet Other Service Review savings	(0.119)	0.000	0.000
Adult, Social Care & Housing	Grant Maximisation	(4.046)	0.000	0.000

## Appendix E Recurring Savings – Service review and budget mitigations

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Adult, Social Care & Housing	Vacancy Management / Restructure	(0.161)	0.000	0.000
Adult, Social Care & Housing	Alternative Capital Financing	(1.200)	0.000	0.000
Children & Family Wellbeing	Vacancy Management / Restructure	(0.012)	0.000	0.000
<b>Total</b>		<b>(15.599)</b>	<b>0.000</b>	<b>0.000</b>

This page is intentionally left blank

Appendix F Non-Recurring Savings – Transformation and BAU

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Resources	Temporary rental Income	(0.345)	0.000	0.000
	<b>Total</b>	<b>(0.345)</b>	<b>0.000</b>	<b>0.000</b>

This page is intentionally left blank



## Appendix G Non-Recurring Savings – Service review and budget mitigations

		2024/25 £'m	2025/26 £'m	2026/27 £'m
Place, Sustainable Growth & Transport	Vacancy Management / Restructure	(0.414)	0.000	0.000
Resources	Temporary Vacancy Management during 2024/25	(1.000)	0.000	0.000
	<b>Total</b>	<b>(1.414)</b>	<b>0.000</b>	<b>0.000</b>

This page is intentionally left blank

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27 £
	£	£	£	£	
<b>CAPITAL EXPENDITURE</b>					
<b>Adult Wellbeing and Housing</b>					
Chronically Sick and Disabled Persons Adaptations	235,410	142,500	142,500	142,500	662,910
Cumbria Care Residential	4,146,793	1,135,293	1,135,293	0	6,417,379
Extra Care Housing / Accommodation with Care & Support- available for new schemes	772,500	750,000	0	0	1,522,500
Mandatory Disabled Facilities Grants & Housing Grants	6,054,527	3,533,370	3,533,600	2,155,600	15,277,097
Community Equipment	1,551,000	1,551,000	1,551,000	1,551,000	6,204,000
Social Housing Decarbonisation	40,000	0	0	0	40,000
Empty Properties	52,300	0	0	0	52,300
Sustainable Warmth - LAD3 & HUG1	3,023,764	0	0	0	3,023,764
<b>TOTAL - Adult Wellbeing and Housing</b>	<b>15,876,294</b>	<b>7,112,163</b>	<b>6,362,393</b>	<b>3,849,100</b>	<b>33,199,950</b>
<b>Business Transformation and Change</b>					
ICT Infrastructure/Investment	1,381,960	595,700	621,400	621,400	3,220,460
<b>TOTAL - Business Transformation and Change</b>	<b>1,381,960</b>	<b>595,700</b>	<b>621,400</b>	<b>621,400</b>	<b>3,220,460</b>
<b>Children and Family Wellbeing</b>					
Basic Need schemes	1,635,960	0	0	0	1,635,960
High Needs Provision	2,858,400	1,008,000	0	0	3,866,400
Inclusion Strategy	1,250,000	0	0	0	1,250,000
North Carlisle Primary School - Design	500,000	0	0	0	500,000

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27
	£	£	£	£	£
William Howard School	467,053	0	0	0	467,053
Prioritised Capital Maintenance Projects/Schools Maintenance	6,735,076	2,464,000	1,512,000	1,512,000	12,223,076
Devolved Formula Capital	3,130,871	0	0	0	3,130,871
SEND facilities 2022	341,000	0	0	0	341,000
Basic Need schemes - Pennine Way 3 classrooms	95,000	0	0	0	95,000
Residential Provision for Children & Young People	149,000	0	0	0	149,000
DSG Funded CMF - Contributions to Schools	104,720	0	0	0	104,720
Healthy Pupil Capital Fund	2,000	0	0	0	2,000
Family Hub	167,000	0	0	0	167,000
<b>TOTAL - Children and Family Wellbeing</b>	<b>17,436,080</b>	<b>3,472,000</b>	<b>1,512,000</b>	<b>1,512,000</b>	<b>23,932,080</b>
<b>Place. Sustainable Growth and Transport</b>					
A595 Bothel	923,000	0	0	0	923,000
Active Travel Funding	1,363,128	0	0	0	1,363,128
Additional Pot Hole Action/Roads funding	9,767,757	4,598,550	0	0	14,366,307
Affordable Homes	600,800	0	0	0	600,800
Area Planning	720,000	0	0	0	720,000
Bereavement Services	97,042	0	0	0	97,042
Biodiversity and Green Infrastructure Programmes	10,628	0	0	0	10,628
Bits Park Improvements	80,402	0	0	0	80,402
Bits Park Public Realm	38,400	0	0	0	38,400
Carlisle Southern Link Road (CSLR)	52,155,556	89,245,943	35,891,039	0	177,292,538
Carlisle Station Gateway	3,377,578	4,200,000	4,176,000	500,000	12,253,578
Cemetery Infrastructure	35,700	0	0	0	35,700
Coastal Programme - Phase 1 and 2	1,317,986	0	0	0	1,317,986
Countryside Access Improvements	42,711	40,000	40,000	40,000	162,711

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27
	£	£	£	£	£
Crematorium Infrastructure	0	3,000,000	0	0	3,000,000
Cumbria Coastal Community Forest - Non-LEP	0	0	0	0	0
Devolved to Local Committees - Non-Principal Road Network (NPRN)	6,710,554	6,263,000	6,263,000	6,263,000	25,499,554
DfT funded Flood Recovery Scheme	819,347	0	0	0	819,347
Energy Coast Resilient Routes (Levelling Up)	4,260,000	13,566,697	0	0	17,826,697
Engineering Safety Studies and implementation measures	347,236	135,000	135,000	135,000	752,236
Future High Street Fund - Carlisle	2,673,358	6,178,555	0	0	8,851,913
Future High Street Fund - Maryport	5,284,555	6,125,300	0	0	11,409,855
Highways & Transport - Bridges & Structures	1,717,371	1,642,460	940,130	940,130	5,240,091
Highways & Transport - Principal Road Network (PRN) Schemes	3,823,615	3,267,450	1,874,250	1,874,250	10,839,565
Land/Port/Waste Statutory Standards	3,223,490	3,019,000	763,000	763,000	7,768,490
Leachate Management - various closed landfill sites	0	0	0	0	0
Lead Local Flood Authority	3,255,000	0	0	0	3,255,000
Industrial Solutions Hub (iSH) Enterprise Campus (Levelling Up) / Leconfield Development	912,378	7,367,306	19,718,075	0	27,997,759
Levelling Up Parks Funding Projects	61,616	0	0	0	61,616
Lillyhall - Infrastructure	252,407	0	0	0	252,407
Lillyhall North - LEP	0	0	0	0	0
Major Projects Match Funding / Infrastructure	255,786	255,786	255,786	255,786	1,023,144

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27
	£	£	£	£	£
Deficit support to District Councils [ITB]					
Major Projects Match Funding	535,841	2,148,600	1,929,355	1,749,972	6,363,768
Maryport Regeneration (HAZ)	383,652	0	0	0	383,652
North Cultural Regeneration Fund - LEP	2,000	0	0	0	2,000
Planning Software	150,000	0	0	0	150,000
Play Area Improvements	30,700	0	0	0	30,700
Recycling Containers	45,000	45,000	45,000	45,000	180,000
Sands Centre Development	2,179,300	0	0	0	2,179,300
Solway Coast Pathway	22,485	0	0	0	22,485
Storm Damage	21,000	0	0	0	21,000
Strategic Highways Match Funding	146,250	0	0	0	146,250
Street Lighting	32,000	0	0	0	32,000
Town Deal - Cleator Moor	3,253,697	17,955,121	15,712,576	0	36,921,394
Town Deal - Millom	3,621,346	14,564,135	8,566,180	0	26,751,661
Town Deal - Carlisle	2,843,460	8,486,161	6,916,479	0	18,246,100
Town Deal - Workington	2,054,858	16,626,945	7,046,466	0	25,728,269
Town Deal Accelerated Funds - Caldew Riverside	581,300	0	0	0	581,300
Traffic signals and Network traffic systems	105,345	106,400	106,400	106,400	424,545
Tullie House	0	500,000	0	0	500,000
UK Shared Prosperity Fund	1,383,527	0	0	0	1,383,527
Whitehaven Cemetery Extension	164,000	0	0	0	164,000
Whitehaven Harbour Flood Defence WHC	159,037	0	0	0	159,037
Workington Gateway (Levelling Up)	592,876	9,056,694	0	0	9,649,570
Workington Hall Repair Scheme	170,514	0	0	0	170,514
Rural Gigabit Connectivity Programme	6,000	0	0	0	6,000
<b>TOTAL - Place. Sustainable Growth and Transport</b>	<b>122,611,589</b>	<b>218,394,103</b>	<b>110,378,736</b>	<b>12,672,538</b>	<b>464,056,966</b>

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27
	£	£	£	£	£
<b>Resources</b>					
Additional Inflation Risk allowance	1,183,000	1,548,000	0	0	2,731,000
Corporate Property Planned Maintenance and improvement	1,441,391	1,507,431	1,507,431	1,507,431	5,963,684
Car Park Improvements	413,000	0	0	0	413,000
Civic Centre	20,500	0	0	0	20,500
Highways Fleet Replacement	145,000	0	0	0	145,000
Modernising the Estate	4,324,186	1,377,951	1,377,951	1,377,951	8,458,039
Planned Enhancements to Council Property	369,000	250,000	250,000	250,000	1,119,000
SEND Fleet Vehicles	386,960	0	0	0	386,960
Vehicle Replacements	1,797,681	0	0	0	1,797,681
Vehicles. Plant & Equipment	2,645,500	1,139,000	1,166,000	1,213,000	6,163,500
Financials Upgrade	43,500	0	0	0	43,500
Strategic Acquisition and Investment Fund	500,000	0	0	0	500,000
<b>TOTAL - Resources</b>	<b>13,269,718</b>	<b>5,822,382</b>	<b>4,301,382</b>	<b>4,348,382</b>	<b>27,741,864</b>
<b>Exceptional Financial Support (EFS) / Capitalisation Direction</b>	<b>12,850,000</b>	<b>41,230,000</b>	<b>12,133,000</b>	<b>0</b>	<b>66,213,000</b>
<b>TOTAL – Capital Expenditure</b>	<b>183,425,641</b>	<b>276,626,348</b>	<b>135,308,911</b>	<b>23,003,420</b>	<b>618,364,320</b>
<b>FINANCING</b>					
DFG Housing Grant	6,054,527	3,533,370	3,533,600	2,155,600	15,277,097
SCP Housing Grant	0	16,996	0	0	16,996
Active Travel funding	1,363,128	0	0	0	1,363,128
Additional Pot Hole Action funding	7,045,337	5,991,750	0	0	13,037,087
Additional Roads Funding	4,954,600	0	0	0	4,954,600
Basic Need schemes	1,730,960	0	0	0	1,730,960

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27
	£	£	£	£	£
Carlisle Southern Link Road (CSLR)	52,155,556	89,245,943	30,335,039	0	171,736,538
Carlisle Station Gateway (Borderlands Inclusive Growth Deal)	3,016,000	3,064,000	1,461,000	500,000	8,041,000
Coastal Communities Fund grant - Solway Coast Pathway	22,485	0	0	0	22,485
Coastal Programme Phase 1 & 2	1,317,986	0	0	0	1,317,986
Copeland Community Fund	0	501,000	500,000	0	1,001,000
Cumbria Coastal Community Forest	0	0	0	0	0
Environment Agency - Flood and Coastal erosion	2,549,000	0	0	0	2,549,000
Department for Education	167,000	0	0	0	167,000
Department of Health b/fwd from 2015/16	108,500	0	0	0	108,500
Devolved Formula Capital	3,075,431	0	0	0	3,075,431
DfT funded Flood Recovery Scheme	819,347	0	0	0	819,347
Energy Coast Resilient Routes (Levelling UP)	4,260,000	13,566,697	0	0	17,826,697
Environment Agency - Leachate Management	706,000	0	0	0	706,000
Environment Agency - WHC Whitehaven Harbour	159,037	0	0	0	159,037
Future High Streets Grant - Carlisle	2,673,358	5,788,555	0	0	8,461,913
Future High Streets Grant - Maryport	5,284,555	5,165,241	0	0	10,449,796
Getting Building Fund	923,000	0	0	0	923,000
Healthy Pupil Capital Fund	2,000	0	0	0	2,000
High Needs Provision	2,858,400	1,008,000	0	0	3,866,400
Highways Grant 2022/23	231,182	0	0	0	231,182
Highways Grant	10,349,706	10,316,896	9,614,566	9,614,566	39,895,734
Historic England - re Workington Hall	525	0	0	0	525



## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27 £
	£	£	£	£	
Industrial Solutions Hub (iSH) Enterprise Campus (levelling Up)	912,378	7,367,306	11,734,481	0	20,014,165
Levelling Up Grant (Parks)	61,616	0	0	0	61,616
Lillyhall North LEP	0	0	0	0	0
Maryport Regeneration (HAZ)	47,397	0	0	0	47,397
North Cultural Regeneration Fund - LEP	2,000	0	0	0	2,000
Nuclear Decommissioning Authority	1,736,588	10,240,079	0	0	11,976,667
Other Capital Grants Unapplied	52,300	0	0	0	52,300
Other Grants & Contributions	228,802	0	2,257,882	0	2,486,684
Prioritised Capital Maintenance/SCA Grant	3,129,796	0	0	0	3,129,796
Rural Gigabit Connectivity Programme	6,000	0	0	0	6,000
s106 contribution	1,567,853	0	0	0	1,567,853
Sands Centre - Sports England	66,000	0	0	0	66,000
Sellafield	0	0	2,600,000	0	2,600,000
Social Housing Decarbonisation	40,000	0	0	0	40,000
Sustainable Warmth - LAD3 & HUG1	3,023,764	0	0	0	3,023,764
SSIF	0	125,000	3,184,450	0	3,309,450
Town Deal - Accelerated Funds - Caldew Riverside	581,300	0	0	0	581,300
Town Deal - Carlisle	2,843,460	8,486,161	6,916,479	0	18,246,100
Town Deal - Cleator Moor	1,677,222	9,458,845	10,878,880	0	22,014,947
Town Deal - Millom	3,235,233	11,585,832	4,770,044	0	19,591,109
Town Deal - Workington	2,054,858	14,280,805	5,317,065	0	21,652,728
UK Shared Prosperity Grant	1,383,527	0	0	0	1,383,527
Workington Gateway (Levelling Up)	592,876	8,972,167	0	0	9,565,043
<b>TOTAL – Grants</b>	<b>135,070,590</b>	<b>208,714,643</b>	<b>93,103,486</b>	<b>12,270,166</b>	<b>449,158,885</b>

## Appendix H Capital Budget 2023-24 to 2026-27

	Proposed Budget				
	2023/24	2024/25	2025/26	2026/27	2023/24 to 2026/27
	£	£	£	£	£
Capital Receipts	1,278,304	1,433,478	87,500	0	2,799,282
Revenue Earmarked Reserves	471,320	1,373,231	0	0	1,844,551
General Fund Balances	1,479,080	0	0	0	1,479,080
Prudential Borrowing	45,126,347	65,104,996	42,117,925	10,733,254	163,082,522
Credit Arrangements - capital leases	0	0	0	0	0
<b>TOTAL – non Grant Financing</b>	<b>48,355,051</b>	<b>67,911,705</b>	<b>42,205,425</b>	<b>10,733,254</b>	<b>169,205,435</b>
<b>TOTAL – Financing</b>	<b>183,425,641</b>	<b>276,626,348</b>	<b>135,308,911</b>	<b>23,003,420</b>	<b>618,364,320</b>

## Appendix I

### Budget consultation 2024/25 – Summary of Results

Cumberland Council is committed to engaging with its communities. In the Council Plan it states that:

“Our communities are best placed to determine their needs and aspirations. For us engagement isn’t just listening, it is doing things together. We value their views and ideas and so we will work alongside residents to jointly create and design services that impact on their lives. We want our residents to be involved and feel understood at every opportunity.

We will work hard to remove as many barriers, differences and inequalities as possible to ensure that everyone in our community can engage with us. We also recognise that when we do ask people to engage with us, it has to be meaningful.”

The Council therefore undertakes a number of consultation exercises during the year, including on our budget proposals for the year 2024/25.

The consultation had three main areas

- The first asked if respondents had any comments on our main priorities and where the council’s focus should be as outlined in the Council Plan.
- The second section asked for comments and suggestions on the council’s transformation plans which sets out how the council will put itself on a more sustainable footing. This included a question on respondents’ views on the continued provision of non-statutory services.
- The third and final section looked at any proposed council tax increases. The proposal was for a rise of 2.99% in the core component of the council’s council tax bill, and a 2% rise in the Adult Social Care levy element. There was also a proposal to increase council tax by 100% for second-home owners.
- The budget consultation also asked some general questions on the location of the respondent and information on diversity.

#### Main consultation activity

The consultation began on 15 December 2023 and ended on 12 January 2024.

The budget setting process was considered at the Business and Resources Overview and Scrutiny Committee on 19 December 2023.

The consultation was advertised and promoted in a number of ways:

- via the traditional press such as the print media, radio and television – a media briefing was arranged for those media able to make it to the Executive meeting on 15 December.
- on the Cumberland Council social media accounts including Nextdoor as well as on the council’s website.
- the consultation was also shared with staff and councillors.

- details were also sent to parish councils and partner organisations making use of key contacts and our community development teams.
- Via the council's email newsletters.

### Response details

We received 536 responses to our consultation.

The consultation is not designed to be a statistically representative sample of public opinion in Cumberland but a gauge of the opinions of those people and organisations that have chosen to participate in the process.

This report does not seek to make any recommendations: its purpose is to help inform decision makers of opinion expressed as part of this consultation. The views outlined in this document do not necessarily reflect those of the council or individual members.

### Questions and Summary of Responses

#### Council Plan questions

*Question 1: Do you have any comments on the areas of focus outlined in the Council Plan?*

There were 342 people who provided comments on our Council Plan focus.

Many of the respondents expressed support for the priorities set out in the plan and the areas of focus.

It is possible to bring some of the comments together into themes. Some of the topic areas from the responses and the comments made were:

#### *Smoking initiatives and focus*

One of the areas we highlighted in the consultation was our anti-smoking initiatives. Some respondents provided comments on this. Examples on the sort of responses received are:

*“Smoking is an individuals choice, it is an expensive habit and I do not believe that the council should be spending council tax on this initiative. If an individual can afford to smoke they should take responsibility to stop using their own money.”*

*“A council exists to provide 'excellent local services' not to spend money on anti-smoking campaigns. Other bodies have responsibility for this. Similarly, underage drinking.”*

*“A key concern is the increasing number of under 18's I see vaping.”*

#### *Ensuring all areas benefit from council services*

A number of respondents suggested some communities were not benefitting from council services equally, though there was disagreement as to which community this was:

*“As usual nothing for rural communities”*

*“Local raised money should be spent local too much spent in West Cumbria”*

*“Little funding provided for the Whitehaven area”*

*“The investments are all in urban areas nothing for rural communities as usual . Pandering to town dwellers when rural communities deserve more in a county with such poor infrastructure. Rural communities should get a 50% discount on their council tax as a minimum”*

#### *Focus should be on children, young people and employment*

Many respondents wanted us to place greater focus on children, young people and improving employment prospects. Examples of the sorts of responses are:

*“Clubs and other facilities for young people give them something to do, get them involved in activities outside school, help them to develop, and have a beneficial side effect of reducing antisocial behaviour. I would like the council to have a plan to work with voluntary organisations to support such initiatives in as cost effective a way as possible.”*

*“I support all the things you've set out, but am surprised that you haven't made more of providing children with the best possible start in life,”*

*“To achieve greater prosperity for Cumbrian residents, local businesses have to thrive and prosper and productivity especially in areas such as manufacturing has to improve. For this to be realised the education and skills of both people in as well as out of employed needs to be improved.”*

#### *Focus on core services*

There were a number of comments suggesting the council should focus on its core services, though there was disagreement as to what this meant. An example of some of the comments are as follows.

*“It is essential to prioritise essential spend. In my opinion that does NOT include measures to reduce the carbon footprint. That can come when money is available. Also, public money should NOT be spent on anti smoking measures, It is for smokers and vapers to make their own decisions based on a plethora of info that is available”*

*“Delivering excellent public services should be by your biggest concern”*

*“Your focus is so skewed towards being seen to be doing the right thing that you've actually lost sight of the thing that is right! Delivering first class customer services should be your TOP and ONLY priority, everything else is window-dressing!”*

*“Only prioritise important essential projects”*

*I would rather that you concentrated on core council functions, rather than "dabbling in areas that should not be funded by a council tax payer - for example mending the footpaths would bring considerably more freedom and*

*safety to both young and old people than stopping smoking activities for a small number who choose to endanger their own health.”*

#### *Focus on environmental issues*

There were many people who disagreed with the focus on environmental issues as outlined in the Council Plan, though others supported it. Many others said we should use it as a way to save money through not cutting grass or verges and cutting back on the weed spraying activity.

*“I would also like to see more environmental initiatives. I would love to see more trees in the centre and residential areas”*

*“Not enough on biodiversity, cycling and walking.”*

*“I am very concerned about the issues surrounding flooding across the county and in particular the maintenance of the rivers as the lead authority it is the councils responsibility to maintain these”*

*“There is no mention of the biggest challenge we face - climate change,”*

*“There is no climate emergency and tax gathered should be spent elsewhere.”*

#### *Focus on health and wellbeing*

Another area where many people commented was on our focus on health and wellbeing. Some of the comments are below:

*“Definitely agree with health and well-being as a priority- supporting epilepsy to stay in their communities and live in their homes. That includes things like bus services for people who cannot drive/ community events to support wellbeing and good mental health etc”*

*“Health care out in the sticks is limited and needs more local provision within the community.. Levelling up has had no effect and health care is lacking . Diabetes care is way behind the rest of the country in rural areas.”*

*“Excellent focus on health and wellbeing - parent mental health should be a key focus as any work tackling health inequalities and supporting children and young people must start with the ability of parents to engage with services”*

*“Overall, however, though my comments about the pool and investing in libraries are connected to this, all work and services should be viewed with prioritising improvements in the lives and life chances of children. As well as this, it is unacceptable that children live in poverty.”*

#### *Help with housing*

Housing was another area frequently raised by respondents. Examples of the sorts of comments are:

*“Not enough is being done I regards empty homes and properties. I have particular interest in my home town of Maryport where a large number of properties in the town centre remain empty and are turning into dereliction.”*

*“Insulating residential properties (not just council buildings)/reducing the burden of energy costs should also be a priority.”*

*“There needs to be improvement to homeless provision which supports vulnerable homeless and delivers a high standard of practice across the combined county of Cumberland.”*

*“I would like to see more support for young families wanting to buy their first home. So we need a lot more affordable housing and fewer 4 and 5 bedroom detached houses. Planning permission should include some affordable homes”*

#### *Focus on key issues the council can influence*

Many respondents said that the council should really focus on the types of issues which it can influence. Examples of some comments are:

*“Priorities are too vague and need greater specifications”*

*“Stop scattering our money on some of your pet "glory" schemes. Fix the roads properly. The current patching doesn't work. The patched come out again.”*

*“You only need to concentrate effort and funding in to the areas you are legally required to provide. Anything else is either unnecessary or just someone's attempt to garner voted and therefore not an essential”*

*“Trying to stop the younger generation from smoking and trying to make Cumbria a smoking free area. What a waste of money”*

*“With the budget pressure the council might want to focus on the statutory functions instead if "pet projects”*

*“There is no climate emergency and tax gathered should be spent elsewhere.”*

*“You are overspent already. Stop finding new ways to spend our money instead, find ways to spend less. Focus on essentials and stop the overlaps into other services like the NHS.”*

*“Only prioritise important essential projects. Don't support the following: [...] number of events and activities throughout our area such as Taste Cumbria, Whitehaven's Health and Wellbeing festival, and the Roman archaeological dig in Carlisle.”*

### *Potholes and street cleaning*

Related to the above, a large number of people suggested the focus of the Council should be on potholes and street cleaning. Examples of some of the comments:

*“Road conditions are atrocious and need significant improvement”*

*“I reported a defective street light weeks ago. It's still not working.”*

*“Need to sort out the state of our roads. Brigham junction needs serious attention”*

*“manage the simple things like “permanently” fixing potholes”*

*“Need to get on to top of the potholes especially when it is dark early and you can't see the potholes it is very dangerous.”*

*“pathway are never kept clean of weeds”*

### *Town centres and shops*

Many people expressed concern for town centres. Examples of the sort of comments are:

*“Keep up the town centre's deep clean work.”*

*“Think Bigger to put Carlisle on the map. How about a Cumberland Sausage festival? invite Grace Dent to be a judge. or anything else that is the biggest largest something. Anything has to be advertised more than the North side of the civic centre. Banners in the town centre would help. Promote Carlisle Music festival to more than schools.”*

*“Too little on ASB, environmental crime and town centre regeneration.”*

*“Attract/initiatives to keep the young people here.”*

*“There appears to be no plan to attract new businesses and leisure opportunities, people travel to Cumbria to use the leisure opportunities why isn't there a snow dome and big hitting businesses like Costco or Ikea in Cumbria. The council needs to attract these kind of businesses.”*

*“I live in the Cumberland council area and I feel that still more need to be done to improve the town centre..The weeds are still a problem. Busses aren't running regularly and town centre needs focus.”*

*“Food shopping in west Cumbria is challenging. We just don't have the same choice as the rest of the UK. The Council planning dept should look more favourably on new food shopping developments.”*

*“Botchergate is an eye sore and I would love to see some of the disused buildings there reclaimed and used for community projects and housing.”*



## Transport

Perhaps the biggest number of comments were in relation to public transport, especially in relation to rural communities. Examples of the comments are:

*“Should put more emphasis on better public transport, especially bus, to reduce car use, thus minimising pollution and the need for road repairs”*

*“No focus on the rural, connecting isolated communities or help with alleviating rural poverty and social deprivation. No mention of improved transport infrastructure.”*

*“Not enough emphasis on providing a public transport system. Withdrawing bus services throughout Cumbria effects those who depend on them and isolates those living in rural areas.”*

*“Public transportation improvements need to be a focus.”*

*“You should be improving our active travel by investing in cycling infrastructure to separate bikes from motor vehicles & pedestrians. This would improve health & wellbeing by enabling people to have safe access to active travel. This also contributes to environmental climate emergency”*

*“Silloth has limited recreational facilities and again travel to other venues is limited by lack of public transport.”*

*“Environment, co-ordinated and reliable public transport services, city town and village vitality, and economic prosperity should all be top priorities.”*

## Other areas

The following topics also came up but less frequently than those above.

- Work more closely with Westmorland and Furness
- Tackle obesity
- Invest in areas with most poverty
- Focus on social care
- Don't focus on glory projects, but on core services

## Transformation Plans

*Question 2: Do you have any comments on our approach to transformation and do you have any other suggestions that could help us bring our finances onto a more sustainable footing?*

There were 348 people who provided comments on the transformation plan and ways to make ourselves more financially sustainable in the long-term.

A summary of some of the main themes from this part of the consultation is outlined below.

### *Generally support the approach*

A number of respondents agreed with the general approach we proposed to take. Examples of the comments made include:

*“You should be doing all of the headline points as a matter of good business anyway not just for cost cutting.”*

*“Better website design is a good idea - it will help people find what they need in a much more empowering way than a bot.”*

*“The “stop issues becoming more serious ...” and “Review our capital programme ...” are absolutely right.”*

*“Please, please, please don’t buy a shopping centre.”*

*“The approach to transformation is a good basis to work with, however it seems to include a lot of aspiration but is light on practical delivery.”*

*“In terms of suggestions which could help bring finances on to a more sustainable footing in the medium term, I have the following comments: 1) invest in and develop staff and Council infrastructure rather than spend on expensive long-term agency / consultancy staff for standard “business as usual” services. 2) avoid the use of AI until the IT has been fully harmonized , to avoid expensive errors and damage to public confidence and reputation which are then much harder to repair. 3) Review framework and procurement arrangements”*

### *Be open to new ideas*

Many people agreed that the council should be open to new ideas and doing things differently. Some of the comments provided include:

*“Some of the “ meetings” could be conducted by zoom . Saving travel , saving fuel. No expenses required.”*

*“Need also to ‘transform’ waste collection.”*

*“Applaud the preventative approach, there must also be much duplication of services which can weed out some expenditure. Roll out myAllerdale (or similar) system across the patch to automate all those functions”*

*“Do take advantage of making services more effective not just more efficient as doing so reduces cost and can motivate employees involved.”*

*“Innovation and reduction of duplication of services is essential to be responsive, efficient and effective”*

*“Keep up to date with technology and reduce costs on building etc”*

*“You could raise licensing fees, ensuring they covered the full costs of running these departments? You could even offer to subcontract these services to other councils? Imagine if you won the contracts for other, neighbouring sectors such that they could do away with vast structures like these and pay you the going rate for that service”*

*“Remove inefficient components. Reduce energy consumption where possible. Introduce green technologies.”*

*“I think some more creative approaches to parking costs in Whitehaven would be helpful such as free parking in the evenings to encourage people into the restaurants etc.”*

#### **Better use of assets**

Following on from this, many people argued the council should make better use of our assets. Most of the comments reflected the desire to see office and other space used more effectively. Some of the comments received include:

*“Cumberland is blessed with large swathes of unused land (E.g. Broughton Moor in our area). We should be far more ambitious and creative in promoting and developing the use of such land”*

*“There are too many council offices why do we continue to use the Civic centre and the Cumbria building on Botchergate.”*

*“I agree with reviewing capital review as council buildings appear underused, overheated and lit when unused.”*

*“Keep up to date with technology and reduce costs on building etc”*

*“You need to be looking at all the buildings which are currently leased or owned by the council that are costing money and not being used.”*

*“There should be a priority on rationalising the capital assets of the new authority.”*

*“You are certainly not using or managing the Port of Workington to the fullest extent to improve your revenue stream.”*

*“Why is the Council still running the Port of Workington? Could this not be divested to the private sector and the money raised used to support the councils priorities in other areas?”*

### *Councillor allowances*

Many people made reference to councillor allowances and the recent rise. Some of the comments received include:

*“How can you justify giving yourselves a 20% pay rise & putting up Council Tax by nearly 5% when people are still struggling with the cost of living and rising energy bills?”*

*“Cut Councillor expenses”*

*“Wrong to increase council tax and at the same time increase councillors expenses,”*

*“There was no need to increase councillors expenses allowance.”*

*“Stop giving yourself exorbitant wage increases”*

*“Stop giving Councillors an increase in allowances”*

### *Concern that digital services could impact on the elderly and other groups*

Whilst there was a lot of support for use of technology, some people did caution its overuse. Examples of the comments are:

*“It is still nice to talk to someone on the phone, though this can still be challenging. Computer/AI chats are not always helpful or applicable to everyone.”*

*“this is not helpful to the elderly and also removes face to face contact with the council. It removes avenues to lodge complains or resolve issues and is prejudice against the poor or elderly who do not have computer or internet access.”*

*“Technology is good but please don’t forget about the older population who are not as technologically literate.”*

### *Get things right first time*

Many people agreed with this approach which looks to avoid issues escalating and becoming too costly. Some of the comments include:

*“If you pay a contractor to do a job and then their work turns out to be substandard then demand they put it right, not pay them”*

*“Applaud the preventative approach,”*

*“I really think a preventative approach is the way to reduce future costs.”*

*“Greater investment in early intervention”*

*“Early intervention & a preventive approach has got to be right e.g. with children in need of support.”*

*Prevent waste and realise the benefits of local government reorganisation (LGR), including on staff numbers.*

One of the largest number of comments saw people argue the Council should prevent waste and realise the opportunities of LGR in Cumbria. Examples of the comments are:

*“Stop departments wasting money when it’s coming to the end of budget years.”*

*“Ensure things are done correctly.”*

*“Have more control over budgets, there are a lot of frivolous spending.”*

*“You are looking after the pounds but also need to look after the pennies i.e. questioning if a project is value for money and the cost v. benefit is justified. For example, repairs to pothole are often only a temporary fix and require further intervention at a later date. Do it right first time or make those undertaking ineffective repairs responsible for the rectification.”*

*“Efficiency is a major requirement, for example eliminate any over staffing and job duplication.”*

*“There seems to be a duplication of many services.”*

*“The whole "Duplication of Effort" argument is a non-starter because you sold us the whole project based upon the efficiency savings you'd make,”*

*“We understand that bringing staff and processes together from separate organisations is a challenge however the sooner this is completed the sooner cost savings can be realised and consistency can be realised for residents across Cumberland.”*

*“Strictly audit ALL expenses. Prevent waste at ALL levels”*

*Other areas*

Respondents also made the following suggestions on the council’s transformation plans, although they were less frequent than the ones already covered:

- Review contracts
- Need more government support
- Better project management
- Economic regeneration
- Enforce more
- Focus on core services
- Introduce a tourist tax
- More support for rural areas

## Non-Statutory Services

*Question 3: We provide statutory services – those which we have to provide by law – and non-statutory services. We provide these non-statutory services as we believe they benefit our communities. Examples of non-statutory services are leisure centres, museums, and other cultural activities such as events. Do you have any comments to make on our approach to providing non-statutory services?*

There were 316 answers to this question.

The responses can largely be divided in the following ways. Whilst it is hard to strictly quantify qualitative data, roughly 75% of people expressed a desire to see non-statutory services kept in some way with 25% saying they should be cut in some way:

### *General responses*

- Engage with partners and local parish councils better to support these services
- Introduce a local residents rate for using these services

### *Look to keep non-statutory services*

- Provide more of these non-statutory services as they are crucial
- Invest in the facilities to get a better return
- Keep these services as they provide a valuable service to our communities which if lost could negatively impact on our core services – such as health and wellbeing.
- If they are kept, then manage them better and don't duplicate the same service in different communities.

### *Consider altering the provision or stop providing them*

- Nice to have but the council should focus on the essentials
- Keep some services – usually the leisure centres – but don't see why the council provides events
- These services should be self-financing
- These services should be stopped if we cannot provide

Some of the comments received include:

*“Engage more with community groups and town/parish councils, are all capital projects that we undertake necessary?”*

*“The Sands - fantastic new building but now theatre is shut, surely this impacts on the investment for local businesses - again needs looked at and more ownership from the council.”*

*“Ask the community to contribute”*

*“Make them multifunctional in terms of food / exercise / education / social hub / Council hub / wellbeing activity hub as well as a source of income (or rather deficit) which must be at least balanced or profitable”*

*“Perhaps there could be reduced cost of entry for (local?) people on benefits or voluntary contributions at exit.”*

*“My only comments here is you need to invest in leisure centres this is key for every generation”*

*“Look at your museums and investigate the benefit of them.”*

*“Libraries are essential and not a luxury.”*

*“Events like Taste Cockermouth bring people into the town and [support] businesses.”*

*“Leisure centres - greater focus on family health needed, toddler gyms should be included and free of charge/low cost to get healthy habits started young. Food on offer should be nutritious and have healthy options. I believe that arts and cultural also needs prioritisation - especially local festivals which bring high quality arts and music to communities. There is currently a lack of visible innovative arts within Cumberland - young artistic people move to cities to get this”*

*“They are very arbitrary, for example leisure facilities provided in parts of the county, but ignored in Keswick with its millions of visitors. Still no explanation as to why the rundown of Keswick Leisure Centre was allowed to happen.”*

*“Non-statutory services such as museums and leisure facilities should be protected as if lost these will be hard to reinstate in the future.”*

*“Non-statutory should be maintained where they align with the Key Priorities of the Council and be prioritised in accordance with the Key Priorities. In general I would support maintenance of non-statutory services where they are affordable within the budget or can be funded through additional grants.”*

*“There could be more community events at the leisure centres to encourage people to get active and make friends in the process. The Turkish baths should also be reopened and advertised. They are a very unique and historically fascinating part of Carlisle's history and it would be a crime to let them go to ruin. also, there seems to be a lot of enthusiasts interested in this so it could be run by volunteers.”*

*“It seems obvious that there should be investment in leisure centres if one of your goals is to improve the health and wellbeing of your residents.”*

*“For me, libraries are an essential service! I visit mine once a week to take out 3-4 books,”*

*“Events are important as they create community (eg the Carlisle bonfire)”*

*“Non Statutory services are essential as they help to build and maintain communities. Plenty of research shows that loneliness results in illness/lack of connection to others and poor outcomes. You need to continue to encourage people out of their settees and into the community. If people are physically active - they will have fewer mental and physical health problems- vital prevention of costly care further down the road.”*

*“It's very important to have museums, libraries etc as otherwise we are just apes.”*

*“Cut back on unnecessary or less needed events in times like this. Firework displays, shows, gatherings, christmas lights, none of it is vital when times are hard”*

*“Cut the non statutory services or run them properly so they break even or even at a profit so as to subsidise the quality of statutory services. The council are not an events company. There are professional companies that do this and run in profit so why do councilors need to massage their ego with other people's money.”*

*“Non statutory services (in terms of leisure centres, museums) should be run to cover costs or make a small return”*

*“The cloth has to be cut according to what you can afford.”*

*“Again, we could consider offering incentives to privatise these. In exchange, the community at large saves on this expense, and those who enjoy the benefits still get to use them, maybe a keen local gets a lifestyle business out of it with the support of the council that if they keep showing up and keeping things maintained, we won't lock their doors because of a tax bill”*

*“I would suggest that the 'day of the library' is fast approaching obsolescence, it would be interesting to know how many times a library is actually used - not how many members it has. Since the advent of the internet and smartphones the necessity to 'find facts' via a book from the library has diminished to about 'zero' - information is now available at the touch of a button from ones armchair!”*

*“Cancel all plans to provide any services over and above those with are a legal requirement. Stop wasting money on vanity projects and pandering to the ridiculous dreams and whims of minority groups”*

*“Can't see why council provide leisure centres.”*

*“Museums feel like a luxury we shouldn't have anymore.”*



### Council tax proposals: quantitative responses

The council tax questions were simple yes/no/don't know questions and therefore can be analysed quantitatively. Details of the responses to the following questions are as follows:

*Question 4: Do you agree with the proposal of a 2.99% increase in council tax next year to help maintain essential services provided by Cumberland Council? Without that money we will have to consider making further savings, for example in libraries and community centres, or by introducing new charges, for example for the collection of garden waste from your homes.*

There were 509 answers to this question broken down as follows:

<b>Response</b>	<b>No. of responses</b>	<b>% of all responses</b>
<b>Yes</b>	260	51.08
<b>No</b>	228	44.79
<b>Don't know</b>	21	4.13

*Question 5: Do you agree with the proposal of a 2% increase in the Adult Social Care Levy to help meet the rising costs of services for our most vulnerable adults? Without that money we will again need to make further savings, further examples of how we might do that include by reducing grass cutting and weed spraying, and in the provision of our leisure services.*

There were 509 answers to this question, broken down as follows:

<b>Response</b>	<b>No. of responses</b>	<b>% of all responses</b>
<b>Yes</b>	266	52.26
<b>No</b>	209	41.06
<b>Don't know</b>	34	6.68

*Question 6: Do you agree with our proposal for a 100% increase in council tax for second homeowners? This will raise an estimated £5m for us to spend on essential services for people in Cumberland, and again by not doing this we will need to identify an additional £5m of savings from our budget.*

There were 518 answers to this question, broken down as follows:

<b>Response</b>	<b>No. of responses</b>	<b>% of all responses</b>
<b>Yes</b>	366	70.66
<b>No</b>	123	23.75
<b>Don't know</b>	29	5.60

## Qualitative responses

The consultation also asked if there were any further comments people would like with regards to the council's council tax proposals. In total 358 people added further comments.

The following provides a summary of those responses:

### *Respondents who recognise the need to increase council tax*

Many respondents did support the proposed rise in council tax, particularly for second homes. Examples of the comments received include:

*"Increase the council tax on second homes by more than 100%. Eg 200%. If people can afford second homes here they can afford the extra council tax and the money gained will help towards providing essential and other services."*

*"They seem a logical way to plug the budget deficit."*

*"Strongly agree with second home tax - so many rural communities being destroyed by second home. Won't pretend to like the tax increase but can see it's needed."*

*"I agree with the adult social care levy but this must be linked to the re-opening of the cottage hospitals to release beds in the main hospitals in Carlisle and Whitehaven. These settings could be used for assessment of patients, re-training following strokes, heart attacks and injuries in a less pressured setting than the main hospitals."*

### *Concern that people cannot afford a rise in council tax*

Many people, some of whom understood the position the council is in, said council tax should not be increased given the current cost of living crisis. Other people said that the council should stop just increasing council tax and should look instead at the root causes of the issues for the council's finances.

Examples of the comments include:

*"Asking people to shoulder an increase of 4.99% is too much right now. Best to just increase council tax by 2.99% or introduce the 2% levy, but not both."*

*"I have made my comments on the previous pages but to keep it simple I do not agree with the proposal of a Council Tax rise again this year, this is going to put vulnerable people into poverty and hardship, some people are already feeling suicidal with continuous price hikes, and this would be the straw that broke the camels back. So I definitely do not agree to your proposed price increase."*

*"We pay enough tax and stealth taxes we can't afford for local or central government to take any more."*

*“Salaries are not keeping pace with your increases. People will stop paying you because they cannot find the money.”*

*“Any increase is a squeeze on my personal finances.”*

*“I am retired and have a fixed pension that does not increase year on year and my savings are being decimated by using them to pay Council tax and other home owning expenses.”*

*“Before levying these increases you should publicise how much has been saved by the formation of one council body.”*

*“You need to reduce waste in the council,”*

*“We are going to be paying more council tax for fewer services more funding needs to come from government & get rid of police & crime commissioner total waste of our money”*

*“I’m not seeing anything about reducing the burden for adult social care, what are you actually doing? Is it just business as usual and every year rate payers will pay more like a new national insurance tax?”*

*“Financial help is given to the poorest, but many of us are just above the financial threshold for help, we are the people who struggle the most, no help given and a small amount of income being stretched ever further to pay all the rising bills, we are never thought of or considered!”*

### **Council tax needs reform**

Some respondents suggested that the whole council tax system needed reform. Examples of the comments included:

*“My main objection to Council tax is that the reference values for banding are now wildly out of date”*

*“I think the council should look at parish rates. I do not see why parishes should have to pay extra for things that Carlisle residents get for free”*

*“Lobby the government to review council tax bands.”*

*“2.99% is nowhere near sufficient I believe for a proper business plan going forward. The minimum must be 2% for Adult Social Care and then a further 5% for the rest of the Council services.”*

*“Drop the Parish Council precept as these are a drain and do nothing!”*

*“Council tax is an easy, unpopular way of taxing people. I am more than happy to pay for green bins to be paid for, we used to do this in Kent. A yearly fee, for the months the bin was emptied.”*

### *Introduce a tourist tax*

A number of respondents in answer to this question and the one on council tax and second homes, suggested the introduction of a tourist tax should be considered.

Examples of the comments include:

*“If the authorities raised just £1 extra from each tourist visiting the county each year over £47million could be raised. More than nine times the revenue expected from a doubling of council tax for a relatively small number of second home owners (based on official figures)”*

*“All.of.the above are acceptable in my view. Please also introduce a tourist tax where possible, if it's possible just for tourists staying within the national park.”*

### *Second home issue*

Many people expressed a desire to see the increase for second homes, with many also saying that the increase should be more. On the opposite side, there were some people who questioned the policy. A third argument was that the real issue is holiday lets which are the real problem in communities and these are often exempt from business rates.

Examples of the comments made include:

*“But council tax is for services provided and many second home owners need less rather than more services especially in education, but also in highways, waste, and much less. Second home owners will likely turn them into business holiday homes.”*

*“Business rates relief for holiday lets is a scam and should be stopped. There are too many holiday lets in Keswick area. Why don't they pay business rates?”*

*“The council needs to get a grip on second home owners and holiday lets which are turning our beautiful county into a place that only the rich can afford!”*

*“Second homes is a complicated one. If they are used as air B&B you have my full support. If it's because someone has died and left a house to a child who has moved away, then definitely not.”*

*“The majority of these property owners bring large amounts of money into the local economy, providing jobs for local people by engaging local trades people and using local shops etc.”*

*“The 100% increase in Council Tax on second homes is vindictive, unwarranted and ill informed. Many holiday homes were purpose built, meaning these properties were never designed for local occupancy.”*

*“Having been a second home owner for many years who has used the property for family and friends, with not one penny income from letting as a holiday home or Air BNB, I feel that we have all contributed to the economy of*

*Keswick by spending in the restaurants and shops/businesses for a whole range of items and products including cars/furniture/furnishings etc.”*

*“An immediate potential consequence of the cliff-edge introduction of doubled council tax is disruption to the housing market. Homeowners expecting to sell in the spring will have valuations in mind that will now need to be revised with consequences for the affordability of their onward move. More specifically, sales in progress where offers have been accepted but the transaction not yet completed risk being disrupted. Second home purchasers will have based their offers on a number of factors including ongoing running costs. The unexpected doubling of their council tax may cause them to withdraw.”*

*“The purpose of council tax is to pay for local services but second homeowners place fewer demands on certain public services than do primary residents, eg, there is no requirement to provide school or nursery places for them, no demand from them for social care, less waste to be disposed of, etc. It therefore follows that for every second home that reverts to being a primary home the Council will need to increase its spending on such services. Has the Council assessed what proportions of second homes becoming primary homes will be occupied by families and by retired persons?”*

*“Second home owners effectively already subsidise other council tax payers - they use far less of council services than full time residents. Charging them double increases the polarisation in communities”*

### *Other themes*

Some other themes which came out of the comments on the council’s proposals for council tax include:

- The second home increase will not tackle the real problem which is a shortage of housing.
- Bring all in house
- Charge for some services
- Cut the Police, Fire and Crime Commissioner
- Cut services, not increase tax

## Summary of responses to other questions

*Q8: Please provide the first part of your postcode*

There were 517 responses to this question. The results were:

Postcode areas	% of total responses
<b>CA11; CA5; CA15; CA12; CA13; CA14, CA7</b>	56.7
<b>CA6; CA4; CA8; CA3; CA2; CA1</b>	31.3
<b>CA27; LA19; CA23; CA20; CA25; CA26; CA24; CA22; LA18; LA19; CA28</b>	9.9
<b>Other areas</b>	2.1

*Q9: How would you describe your current employment status?*

There were 522 responses to this question. The results were:

Employment status	% of total responses
<b>Full-time employed</b>	33.4
<b>Part-time employed</b>	10.1
<b>Self-employed</b>	5.0
<b>Retired</b>	45.3
<b>Student</b>	0.4
<b>Homemaker</b>	1.1
<b>Currently not working</b>	2.1
<b>Not answered</b>	2.4

*Question 10: Are you responding to this consultation as:*

There were 524 responses to this question. Out of the total number of responses the figures were:

How respond	%
<b>Member of the public</b>	95.2
<b>On behalf of an organisation</b>	1.3
<b>Other</b>	0.4
<b>Not answered</b>	3.1

Of those who responded to say they “on behalf of an organisation” or “other” the specified description was:

- Stonyholme Golf Club

- As a joint response from the not for profit sector
- On behalf of Citizens Advice Copeland, Citizens Advice Allerdale, Citizens Advice Carlisle and Eden
- ACTION with Communities in Cumbria
- This response has been submitted on behalf of Cumbria Third Sector Network and Cumbria CVS. Due to the short consultation period, we have only been able to undertake limited consultation with third sector organisations – the response is based on input from Cumbria Third Sector Network Executive members and Cumbria CVS staff and trustees (and incorporates their knowledge of the issues faced by the wider third sector and the people third sector organisations support)
- Above Derwent Parish Council
- Member of the public and parish councillor.

Further details on these can be found below.

#### *Q11 About your gender.*

There were 519 responses to this question. Of all the responses the results were:

Gender	% of responses
Male	49.71
Female	39.31
Transgender	0
Prefer not to say	11.0

#### *Q12 About your sexuality*

There were 511 responses to this question.

Sexuality	% of responses
Heterosexual	77.5
Bisexual	1.0
Lesbian/Gay	2.5
Prefer not to say	19.0

#### *Question 13: Do you consider yourself disabled?*

There were 492 responses to this question.

Response	% of responses
Yes	12.6
No	87.4

#### *Question 14: What age are you?*

There were 504 responses to this question

Age range	% of responses
Under 16	0.4
16-24	0.6
25-34	5.4
35-44	10.5
45-54	15.9
55-64	27.8
65-74	28.2
75+	11.3

*Question 15: What is your ethnicity?*

There were 513 responses to this question

Ethnicity	% of responses
White British	86.1
White Irish	0.2
White Other	2.4
Asian/Asian British Other	0.2
Chinese	0.2
Mixed race	0.6
Prefer not to say	10.4

*Question 16: Which of the following best describe your faith/religion/belief?*

There were 511 responses to this question.

Faith/religion/belief	% of responses
No religion	38.2
Christian (all denominations)	46.8
Buddhist	0.6
Jewish	0.4
Other faith	0.8
Prefer not to say	13.3



## Responses from partner organisations

The following responses are highlighted as they have come on behalf of partner organisations:

On behalf of Citizens Advice Copeland, Citizens Advice Allerdale, Citizens Advice Carlisle and Eden

<p>Comments about the Council Plan</p>	<p>The areas of focus outlined in the council plan, specifically improving health and wellbeing and addressing inequalities alongside delivering excellent public services fit with the values, aims and principles of the Citizens Advice service.</p>
<p>Approach to transformation</p>	<p>We understand that bringing staff and processes together from separate organisations is a challenge however the sooner this is completed the sooner cost savings can be realised and consistency can be realised for residents across Cumberland. It will also help other local organisations have a clearer picture on the work they need to deliver, the funding they have available and the shortfalls that needs to be met in service provision and funding not only by these organisations but also Cumberland Council.</p> <p>A short term investment in to this piece of work would support longer term planning.</p> <p>Taking a preventative approach to our services to stop issues costing more in the future. More working with the third sector on preventative actions such as housing, issues around money and benefit support. This sector has a huge amount of data and insight into the issues faced by Cumberland residents. Can this sector support the decision making process so that any changes are co-produced and any potential impacts are mitigated.</p>
<p>Comments on non-statutory services</p>	<p>Although in difficult financial times it is tempting to cut these non-statutory services we see first hand the positive impact access to these services can have on individuals health and wellbeing. It can't be assumed that the third sector and volunteers will fill in these gaps as we are already limited by the funding we receive and the demand we face.</p>
<p>Comments on council tax proposals</p>	<p>For those who are in a position to afford the increases this will result in less disposable income and therefore less money spent in our local economies. We welcome the maintenance of the council tax reduction scheme and ask that this is pro-actively promoted so that more people are made aware of the support available. For those not entitled to CTR but that are struggling to make payments we would ask that the council follow the Citizens Advice council tax protocol.</p>

	Proactively referring clients to independent advice agencies for advice and support before enforcement action is also supported.
--	--

#### ACTion with Communities in Cumbria

Comments about the Council Plan	<p>I support all of the focused areas in the plan.</p> <p>I want to express concern that the reduced funding, which is inevitable, will affect rural dwellers and communities more, as it is more expensive to deliver services in rural areas. Rural dwellers pay more for services as they do not have the access that urban dwellers have, yet pay the same and often higher rates.</p> <p>I would like to see a rural policy embedded in all your delivery that details how the large areas of Cumberland that are rural can be engaged in and benefit fully from Council services.</p>
---------------------------------	---

On behalf of Cumbria Third Sector Network and Cumbria CVS

*Due to the short consultation period, we have only been able to undertake limited consultation with third sector organisations – the response is based on input from Cumbria Third Sector Network Executive members and Cumbria CVS staff and trustees (and incorporates their knowledge of the issues faced by the wider third sector and the people third sector organisations support).*

Comments about the Council Plan	We support the key priorities identified in the Council Plan, noting the many interdependencies between them (for example, tackling inequalities being a key component of improving resilience to extreme weather events).
Approach to transformation	We believe that local voluntary and community sector organisations have a key role to play in transformation, both in terms of providing intelligence and expertise to improve Council delivery, and as funded service providers (particularly with regard to the priority identified around preventative services). We would welcome the opportunity to be more closely involved in Cumberland Council's transformation work and to coproduce future delivery (and believe that refreshing the Cumbria Compact would be a useful part of developing this relationship).
Comments on non-statutory services	We agree that non-statutory services play an important role in ensuring our communities thrive – they often provide opportunities for people to come together, to strengthen relationships, and build community resilience and cohesion, as well as supporting other priorities such as healthy lifestyles. As such, they play an important

	preventative role, reducing the demand on statutory council services.
Comments on council tax proposals	<p>Third Sector organisations are very aware of the cost of living pressures on people in our communities, and that many people will struggle to afford increases in Council Tax; this will be exacerbated if national Government does not extend the Household Support Fund into 2024/25.</p> <p>However, we also realise that these Council Tax increases are essential to maintain Council services. We therefore reluctantly support an increase in Council Tax, but ask that efforts continue to support those most affected by the Cost of Living pressures, and ensure that they are made aware of the support, such as Council Tax reductions, that may be available to them.</p>

#### Stonyholme Golf Club

Comments about the Council Plan	Improve the health and well being of many people by keeping Stonyholme Golf Course open. Many people who go to play are older and now on their own. Golf provides them with fresh air and exercise and perhaps most importantly social contact. Social contact can be continued even after they are no longer fit to play golf.
Approach to transformation	Reduce street lighting and turn off traffic lights from about 7am to 7pm
Comments on non-statutory services	Leisure centres, museums concerts etc are vital to the life of people in the county. Physical activity is vital for physical and mental health even if it is only walking
Comments on council tax proposals	Social care is particularly important now that people are living longer. Even the basic care needs are difficult to organise.

This page is intentionally left blank

## Revenue Budget Book

### 1. Summary of 2024-25 revenue budget

The table below shows how the draft net Revenue Budget is proposed to be financed:

#### Summary of 2024-25 revenue budget

	2024-25 £'m
<b>Net Service Expenditure budget</b>	<b>329.978</b>
EFS Application	(10.000)
Planned use of earmarked balances / general fund	(0.964)
<b>Net Budget Requirement</b>	<b>319.014</b>
<b>Financed By:</b>	
General Grants	61.977
Council tax – Cumberland (excluding parish element)	163.452
Collection fund surplus/(deficit) - Council Tax	(0.353)
National Non-Domestic Rates (NNDR) aka. Business Rates Retention (BRR) funding	92.504
Collection fund surplus/(deficit) – NNDR	(3.566)
Less: Planned use of earmarked balances - NNDR	5.000
<b>Total Financing</b>	<b>319.014</b>

## 2. Directorate Revenue Budgets

The proposed budget for each Directorate is shown in the table below. This is an indicative position whilst work is finalised on the allocations between the different Directorates, and Members are requested to delegate any final amendments to the Section 151 Officer, so long as the Net Revenue Budget remains the same.

### Directorate 2024/25 Revenue Budget

Directorate	Base Budget	Recurring		Base Budget	Non-Recurring		Net Service Expend' budget
		Growth	Savings		Growth	Savings	
	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Chief Executive	<b>0.233</b>	0.000	0.000	<b>0.233</b>	0.000	0.000	<b>0.233</b>
Assistant Chief Executive	<b>3.115</b>	0.098	(0.146)	<b>3.067</b>	0.000	0.000	<b>3.067</b>
Business Transformation & Change	<b>21.180</b>	4.728	(2.454)	<b>23.454</b>	0.140	0.000	<b>23.594</b>
Resources	<b>66.314</b>	27.139	(7.773)	<b>85.680</b>	0.207	(1.345)	<b>84.542</b>
Place, Sustainable Growth & Transport	<b>71.575</b>	0.900	(3.776)	<b>68.699</b>	0.000	(0.414)	<b>68.285</b>
Public Health & Communities	<b>4.760</b>	0.000	(0.257)	<b>4.503</b>	0.000	0.000	<b>4.503</b>
Adult, Social Care & Housing	<b>80.389</b>	4.750	(11.532)	<b>73.607</b>	0.000	0.000	<b>73.607</b>
Children & Family Wellbeing	<b>68.059</b>	14.000	(9.912)	<b>72.147</b>	0.000	0.000	<b>72.147</b>
<b>2024/25 Net Service Expenditure Budget</b>	<b>315.625</b>	<b>51.615</b>	<b>(35.850)</b>	<b>331.390</b>	<b>0.347</b>	<b>(1.759)</b>	<b>329.978</b>

\*Resources includes pay award, Inflation, Contingencies, and vacancy management savings

### 3. Breakdown of Directorate Revenue Budgets

The breakdown of the proposed budget for each Directorate is shown in the table below.

#### Breakdown of Directorate Revenue Budgets

	Base Budget	Rec' Growth	Rec' Savings	Base Budget	Non-Rec' Growth	Non-Rec' Saving	Net Service Expend' budget
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
CHIEF EXECUTIVE	<b>0.233</b>	0.000	0.000	<b>0.233</b>	0.000	0.000	<b>0.233</b>
	<b>0.233</b>	<b>0.000</b>	<b>0.000</b>	<b>0.233</b>	<b>0.000</b>	<b>0.000</b>	<b>0.233</b>
ASSISTANT CHIEF EXECUTIVE	<b>0.144</b>	0.000	(0.146)	<b>(0.002)</b>	0.000	0.000	<b>(0.002)</b>
COMMUNICATIONS	<b>1.084</b>	0.000	0.000	<b>1.084</b>	0.000	0.000	<b>1.084</b>
STRATEGY AND POLICY	<b>1.316</b>	0.000	0.000	<b>1.316</b>	0.000	0.000	<b>1.316</b>
PERFORMANCE AND ANALYSIS	<b>0.571</b>	0.098	0.000	<b>0.669</b>	0.000	0.000	<b>0.669</b>
	<b>3.115</b>	<b>0.098</b>	<b>(0.146)</b>	<b>3.067</b>	<b>0.000</b>	<b>0.000</b>	<b>3.067</b>
DIRECTOR - BUSINESS, TRANSFORMATION & CHANGE	<b>(3.950)</b>	4.123	(1.140)	<b>(0.967)</b>	0.000	0.000	<b>(0.967)</b>
COMMISSIONING & PROCUREMENT	<b>2.605</b>	0.175	(1.165)	<b>1.615</b>	0.000	0.000	<b>1.615</b>
ICT	<b>14.016</b>	0.230	(0.149)	<b>14.097</b>	0.000	0.000	<b>14.097</b>
PMO	<b>4.084</b>	0.000	0.000	<b>4.084</b>	0.000	0.000	<b>4.084</b>
HR & OD	<b>4.425</b>	0.200	0.000	<b>4.625</b>	0.140	0.000	<b>4.765</b>
	<b>21.180</b>	<b>4.728</b>	<b>(2.454)</b>	<b>23.454</b>	<b>0.140</b>	<b>0.000</b>	<b>23.594</b>
DIRECTOR - RESOURCES	<b>(1.280)</b>	0.000	(1.000)	<b>(2.280)</b>	0.000	(1.000)	<b>(3.280)</b>
CHIEF LEGAL OFFICER	<b>8.168</b>	0.698	(0.132)	<b>8.734</b>	0.000	0.000	<b>8.734</b>
CHIEF FINANCIAL OFFICER	<b>44.867</b>	23.318	(3.324)	<b>64.861</b>	0.125	0.000	<b>64.986</b>
ASSETS & FLEET	<b>5.159</b>	1.480	(2.220)	<b>4.419</b>	0.000	(0.345)	<b>4.074</b>
CUSTOMER SOLUTIONS	<b>9.400</b>	1.643	(1.097)	<b>9.946</b>	0.082	0.000	<b>10.028</b>
	<b>66.314</b>	<b>27.139</b>	<b>(7.773)</b>	<b>85.680</b>	<b>0.207</b>	<b>(1.345)</b>	<b>84.542</b>
DIRECTOR - PLACE, GROWTH & TRANSPORT	<b>0.170</b>	0.000	(0.252)	<b>(0.082)</b>	0.000	0.000	<b>(0.082)</b>
HIGHWAYS & TRANSPORT	<b>27.518</b>	0.200	(1.440)	<b>26.278</b>	0.000	(0.414)	<b>25.864</b>
THRIVING PLACE AND INVESTMENT	<b>2.342</b>	0.000	(0.391)	<b>1.951</b>	0.000	0.000	<b>1.951</b>

	Base Budget	Rec' Growth	Rec' Savings	Base Budget	Non-Rec' Growth	Non-Rec' Saving	Net Service Expend' budget
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
CLIMATE & WASTE	33.737	0.700	(1.006)	33.431	0.000	0.000	33.431
NEIGHBOURHOODS	7.808	0.000	(0.687)	7.121	0.000	0.000	7.121
	71.575	0.900	(3.776)	68.699	0.000	(0.414)	68.285

DIRECTOR - PUBLIC HEALTH & COMMUNITIES	0.170	0.000	0.000	0.170	0.000	0.000	0.170
COMMUNITIES & LOCALITIES	2.367	0.000	0.000	2.367	0.000	0.000	2.367
PUBLIC HEALTH AND PROTECTION	2.223	0.000	(0.257)	1.966	0.000	0.000	1.966
	4.760	0.000	(0.257)	4.503	0.000	0.000	4.503

DIRECTOR- ADULT SOCIAL CARE & HOUSING	1.459	0.000	0.000	1.459	0.000	0.000	1.459
2023/24 SAVING	(1.500)	1.500	0.000	0.000	0.000	0.000	0.000
OPERATIONS	45.522	2.500	(9.171)	38.851	0.000	0.000	38.851
SERVICE PROVISION	33.753	0.750	(2.200)	32.303	0.000	0.000	32.303
QUALITY & RESOURCES - ADULT	1.155	0.000	(0.161)	0.994	0.000	0.000	0.994
	80.389	4.750	(11.532)	73.607	0.000	0.000	73.607

DIRECTOR-CHILDREN & FAMILY WELLBEING	2.861	0.000	0.000	2.861	0.000	0.000	2.861
2023/24 SAVING	(1.500)	1.500	0.000	0.000	0.000	0.000	0.000
SEND, EDUCATION & INCLUSION	17.817	4.000	(1.600)	20.217	0.000	0.000	20.217
CHILDREN & FAMILIES	47.446	8.500	(8.300)	47.646	0.000	0.000	47.646
QUALITY & RESOURCES - CHILDREN	1.435	0.000	(0.012)	1.423	0.000	0.000	1.423
	68.059	14.000	(9.912)	72.147	0.000	0.000	72.147

<b>2024/25 Net Service Expenditure Budget</b>	<b>315.625</b>	<b>51.615</b>	<b>(35.850)</b>	<b>331.390</b>	<b>0.347</b>	<b>(1.759)</b>	<b>329.978</b>
---	----------------	---------------	-----------------	----------------	--------------	----------------	----------------



#### 4. Breakdown of Directorate Revenue Budgets

A Gross income and expenditure analysis of the proposed budget for each Directorate is shown in the table below.

	2425 Gross Budget	2425 Grant Income Budget	2425 Other Income Budget	2425 Net Budget
	£'m	£'m	£'m	£'m
CHIEF EXECUTIVE	0.233	0.000	0.000	0.233
	<b>0.233</b>	<b>0.000</b>	<b>0.000</b>	<b>0.233</b>
ASSISTANT CHIEF EXECUTIVE	(0.002)	0.000	0.000	(0.002)
COMMUNICATIONS	1.136	0.000	(0.052)	1.084
STRATEGY AND POLICY	1.317	0.000	(0.001)	1.316
PERFORMANCE AND ANALYSIS	0.694	0.000	(0.025)	0.669
	<b>3.145</b>	<b>0.000</b>	<b>(0.078)</b>	<b>3.067</b>
DIRECTOR - BUSINESS, TRANSFORMATION & CHANGE	(0.967)	0.000	0.000	(0.967)
COMMISSIONING & PROCUREMENT	1.655	0.000	(0.040)	1.615
ICT	20.928	(0.042)	(6.789)	14.097
PMO	4.238	(0.017)	(0.137)	4.084
HR & OD	6.071	(0.112)	(1.194)	4.765
	<b>31.925</b>	<b>(0.171)</b>	<b>(8.160)</b>	<b>23.594</b>
DIRECTOR - RESOURCES	(3.280)	0.000	0.000	(3.280)
CHIEF LEGAL OFFICER	10.928	(0.027)	(2.167)	8.734
CHIEF FINANCIAL OFFICER	118.135	(47.390)	(5.759)	64.986
ASSETS & FLEET	19.660	(0.603)	(14.983)	4.074
CUSTOMER SOLUTIONS	11.084	(0.285)	(0.771)	10.028
	<b>156.527</b>	<b>(48.305)</b>	<b>(23.680)</b>	<b>84.542</b>
DIRECTOR - PLACE, GROWTH & TRNSPORT	(0.082)	0.000	0.000	(0.082)
HIGHWAYS & TRANSPORT	30.075	(0.891)	(3.320)	25.864
THRIVING PLACE AND INVESTMENT	6.860	(0.169)	(4.740)	1.951
CLIMATE & WASTE	56.319	(0.053)	(22.835)	33.431
NEIGHBOURHOODS	13.281	(0.210)	(5.950)	7.121
	<b>106.453</b>	<b>(1.323)</b>	<b>(36.845)</b>	<b>68.285</b>
DIRECTOR - PUBLIC HEALTH & COMMUNITIES	0.170	0.000	0.000	0.170
COMMUNITIES & LOCALITIES	4.144	(0.025)	(1.752)	2.367
PUBLIC HEALTH AND PROTECTION	16.243	(12.195)	(2.082)	1.966

<b>2425 Gross Budget</b>	<b>2425 Grant Income Budget</b>	<b>2425 Other Income Budget</b>	<b>2425 Net Budget</b>
<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b>20.557</b>	<b>(12.220)</b>	<b>(3.834)</b>	<b>4.503</b>

DIRECTOR- ADULT SOCIAL CARE & HOUSING OPERATIONS	1.459
SERVICE PROVISION	124.528
QUALITY & RESOURCES - ADULT	32.603
	1.305
	<b>159.895</b>

	0.000	0.000	1.459
	(23.965)	(61.712)	38.851
	0.000	(0.300)	32.303
	0.000	(0.311)	0.994
	<b>(23.965)</b>	<b>(62.323)</b>	<b>73.607</b>

DIRECTOR-CHILDREN & FAMILY WELLBEING	2.861
SEND, EDUCATION & INCLUSION	210.565
CHILDREN & FAMILIES	55.532
QUALITY & RESOURCES - CHILDREN	1.589
	<b>270.547</b>

	0.000	0.000	2.861
	(189.394)	(0.954)	20.217
	(1.049)	(6.837)	47.646
	(0.082)	(0.084)	1.423
	<b>(190.525)</b>	<b>(7.875)</b>	<b>72.147</b>

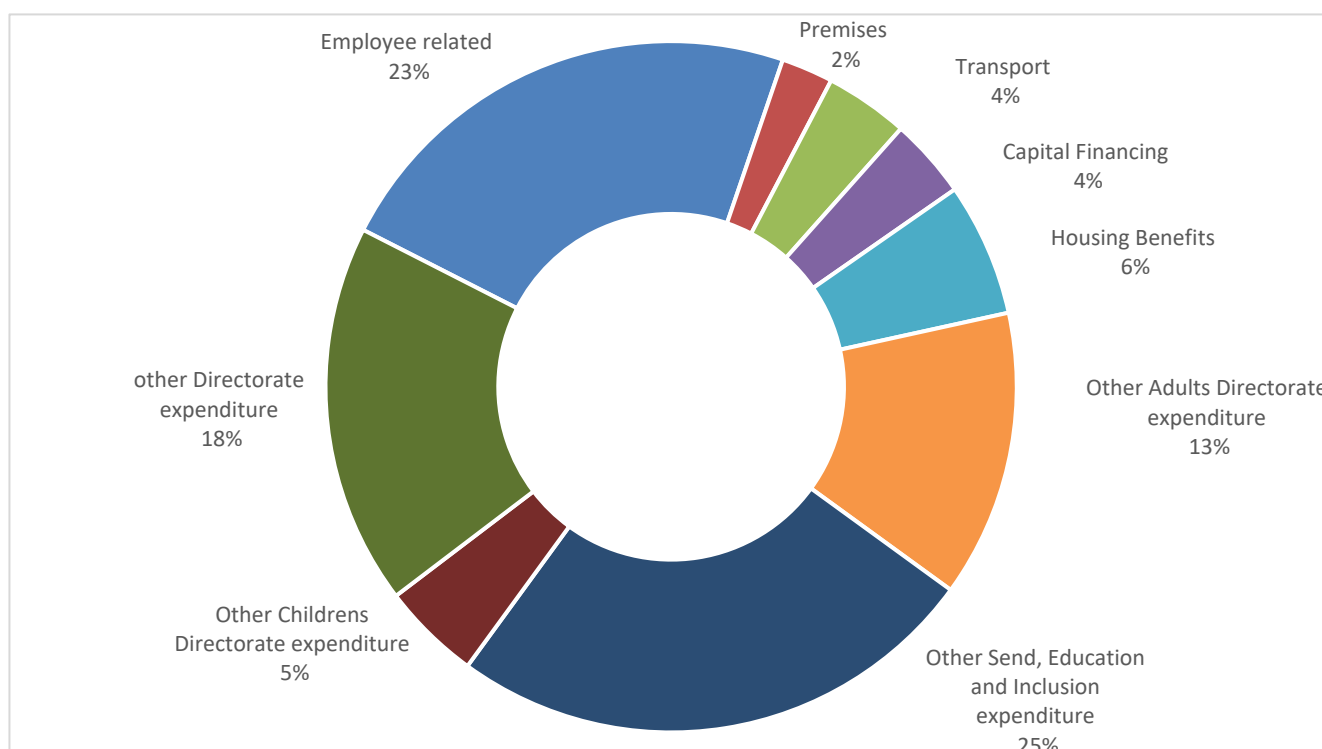
<b>2024/25 Net Service Expenditure Budget</b>	<b>749.282</b>
---	----------------

<b>(276.509)</b>	<b>(142.795)</b>	<b>329.978</b>
------------------	------------------	----------------

## 5. Breakdown of Gross Expenditure

The breakdown of the Gross Expenditure is shown in the table below.

	Total £'m	%
Employee related (inc' salary, on-costs, apprentice levy, L&D etc)	170.383	23%
Premises (inc' NNDR, utilities, maintenance etc.)	18.169	2%
Transport (inc' Send and H-2-S transport)	29.331	4%
Capital Financing Costs (interest payable and MRP)	28.065	4%
Housing Benefits Related Payments	46.721	6%
Other Adults Directorate expenditure (inc' res'l care placements, supported accommodation, supported living, home care, day care, respite care and direct payments etc)	100.707	13%
Other Send, Education and Inclusion expenditure (inc' DSG payments for devolved school budgets)	187.544	25%
Other Childrens Directorate expenditure (inc' early help, cared for children and leaving care services etc)	34.689	5%
Other Directorate expenditure (inc' contract for CNDR and Waste Disposal)	133.673	18%
<b>Total Gross Expenditure</b>	<b>749.282</b>	



This page is intentionally left blank

**LIBERAL DEMOCRATS GROUP BUDGET AMENDMENTS 2024/25**  
**CUMBERLAND COUNCIL 6<sup>TH</sup> MARCH 2024**

**Moved by Cllr Tim Pickstone**  
**Seconded by Cllr Chris Wills**

**Schools Prioritised Maintenance Fund**

Children in Cumberland deserve to be taught in well maintained school buildings. DSG capital maintenance funding is given directly to schools and they are expected to fund small scale maintenance and capital improvement activities up to £10k for primary schools and £27k for secondary schools. Above these levels any works fall to the Council to fund. There is a significant backlog of maintenance issues in our maintained schools. Over the 2 years from 1 April 2025 an additional £2m will deliver priority 1 maintenance - safe, wind and watertight work that is required.

**Comments and Impact on budget proposals:**

- This will require virements in the capital programme of £2m (£1m in 2025/26 and £1m in 2026/27)
- £2m capital funding to come from a reduction of £500k from the Corporate Property Planned Maintenance and Improvement budget and £500k from the Modernising the Estate budget in years 2025/26 and 2026/27 respectively.

**Purchase One New Gritter**

Purchase of one new gritter at a capital cost of £100k and recruitment of one operative at a revenue cost of £50k. To give more capacity during the winter months and to increase the number of routes which aren't currently gritted. Assistant Director said there is a lead in time from ordering to delivery of one year.

**Comments and Impact on budget proposals:**

- This will require a capital borrowing requirement of £100k
- Revenue implications of this additional borrowing would be £10k
- This proposal will also require an increase of approximately £50k pa to the recurring revenue budget to fund an additional post from 2025/26
- The additional £60k revenue funding to come from additional corporate vacancy management/restructures and anticipated income from the rural mobility scheme pilot in Carlisle

## **Rural Mobility Scheme**

The former County Council received £1.5m Rural Mobility Fund from the DfT to deliver a new Digital Demand Responsive (DDRT) scheme. The scheme has 4 pilot areas, 2 in Cumberland and 2 in Westmorland and Furness. The new transport services will be delivered by a new fleet of accessible minibuses and people carriers and can be booked through a new smartphone app or by telephone. The proposal is to include an additional pilot area in the Carlisle area of Cumberland Council area at a cost of £250k.

This is £250k capital and £50k revenue costs

### **Comments and Impact on budget proposals:**

- To run alongside the 4 existing pilot schemes
- This will require a capital borrowing requirement of £250k
- Revenue implications of this additional borrowing would be £25k
- This also requires £50k revenue costs, bringing the additional revenue to £75k
- The additional £75k revenue funding to come from additional corporate vacancy management/restructures and anticipated fare income.

## **Road Safety Measures - Traffic Regulation Order (TRO) Programme**

To allocate £90k for a dedicated TRO Programme that Members are able to request funding for road safety schemes in their area.

Priority to be given to those schemes that reduce speeding and accidents, benefit walkers and cyclists, and improvements the safety around schools.

### **Comments and Impact on budget proposals:**

- Community Panels have existing budget provision and this will increase that provision and commence in 2025/26
- This would require an additional £90k added to the recurring base budget
- The additional £90k revenue funding to come from anticipated income from the rural mobility scheme pilot in Carlisle.

## **Net Zero Community Panels**

An additional pot of money to be allocated to the 8 Community Panels to enable community groups to apply for grant funding to support local initiatives to raise awareness of climate change and reduce carbon emissions. The £80k to be divided equally between the 8 Community Panels so they each receive £10k

### **Comments and Impact on budget proposals:**

- Community Panels have existing budget provision and this will consist of additional funding of £80k in 2024/25
- This would require an additional £80k added to the recurring base budget
- The additional £80k revenue funding to come from additional corporate vacancy management/restructures.

## **Additional Corporate Vacancy Management/Restructures**

Additional savings from corporate management vacancy management and restructures.

### **Comments and Impact on budget proposals:**

- This will include additional exit costs such as redundancy that would need to be considered
- Trade Union engagement may need to be considered and factored into the timing of such changes
- Staff consultation may need to be considered and factored into the timing of such changes.

This page is intentionally left blank



Description	Proposed Budget	Proposed Budget	Proposed Budget	Total
	2024/25	2025/26	2026/27	2024/25 to 2026/27
	£	£	£	£
<b>CAPITAL EXPENDITURE</b>				
<b>Children and Family Wellbeing</b>				
Prioritised Capital Maintenance Projects/Schools Maintenance	0	1,000,000	1,000,000	2,000,000
<b>Director of Place, Sustainable Growth and Transport</b>				
Gritter	100,000			100,000
Rural Mobility Scheme Pilot in Carlisle	250,000			250,000
<b>Director of Resources</b>				
Corporate Property Planned Maintenance and Improvement		-500,000	-500,000	-1,000,000
Modernising the Estate		-500,000	-500,000	-1,000,000
	<b>350,000</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CAPITAL</b>		0	0	<b>350,000</b>
<b>REVENUE EXPENDITURE</b>				
<b>Director of Place, Sustainable Growth and Transport</b>				
Gritter Operative	0	50,000	0	50,000
Rural Mobility Scheme Pilot in Carlisle	50,000	-140,000	0	-90,000
Road Safety Measures TROs	0	90,000	0	90,000
<b>Public Health and Communities</b>				
Net Zero Community Panel Grants	80,000	0	0	80,000
Interest on borrowing costs at 10%	35,000			35,000
<b>TOTAL REVENUE</b>	<b>165,000</b>			<b>165,000</b>
<b>FUNDED FROM</b>				
Additional Corporate Vacancy Management/Restructure	165,000	0	0	165,000
<b>TOTAL</b>				<b>165,000</b>

This page is intentionally left blank



## Report to Cumberland Council

Meeting Date – 6<sup>th</sup> March 2024

Key Decision – Yes

Public/Private – Public

Portfolio – Councillor Barbara Cannon, Finance and Assets Portfolio Holder

Directorate – Resources

Report Author – Catherine Bell, Chief Finance Officer, S151 Officer

**Title – Council Tax Resolution 2024-25**

### Brief Summary

To approve the necessary resolutions for Council Tax setting in accordance with Sections 31 – 36 of the Local Government Finance Act 1992.

### Recommendation

**It is recommended that Council:-**

(1) approves the resolutions, set out in Appendix A.

### Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	6 March 2024

## 1. Background

- 1.1. The purpose of this report is to enable the Council to calculate and approve the Council Tax requirement for 2024-25, as required by The Local Government Finance Act 1992 (as amended).

## 2. Proposals

### Local Precepting Authorities

- 1.2. The Local Precepting Authorities for 2024-25 are detailed in Appendix C and total £5,734,908.65. This results in an average Band D Council Tax of £63.74 for 2024-25.
- 1.3. Under section 41(4) of the Local Government Finance Act 1992 a Local Precepting Authority has until the 1 March to submit their Precept to the billing authority.
- 1.4. The Precept figure included in Appendix A and Appendix C is based on the information the Council has received and any changes or substitute amounts received between this report being published and the date of the meeting, will be tabled at the meeting.

### Major precepting Authorities

- Cumbria Commissioner Fire and Rescue Authority
- 1.5. Based on information that the Council has received from Cumbria Commissioner Fire & Rescue Authority, their precept is £8,388,504, this results in a Band D Council Tax of £93.24.
- Police & Crime Commissioner for Cumbria
- 1.6. Based on information that the Council has received from The Police and Crime Commissioner for Cumbria, their precept is £27,894,203, this results in a Band D Council Tax of £310.05.

### Proposed Tax Levels

- 1.7. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	<b>2023-24</b>	<b>2024-24</b>	<b>Increase</b>	<b>Increase</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Local Precepting Authorities (average)	56.09	63.74	7.65	13.64%
Cumbria Commissioner Fire & Rescue Authority	90.54	93.24	2.70	2.98%
Police & Crime Commissioner for Cumbria	297.09	310.05	12.96	4.36%
Cumberland *	1,730.45	1,816.80	86.35	4.99%
<b>TOTAL</b>	<b>2,174.17</b>	<b>2,283.83</b>	<b>109.66</b>	<b>5.04%</b>

- 1.8. The Council Tax figure for the preceding financial year for Cumberland Council is the notional amount, as specified in Annex A of the 'Referendums Relating to Council Tax Increases (Alternative Notional Amounts(ANA)) (England) Report 2024-25'
- 1.9. This notional amount is different from the actual amount for 2023-24. The notional amount is lower following the Charter Trustees of the City of Carlisle becoming a Local Precepting Authority for 2024-25 which has reduced the Cumberland Council element of a band D bill by £39p a year (with relative reductions on other bands).

### **3. Alternative options considered**

- 1.10. The Localism Act 2011 makes provision for Council Tax referendums to be held if an authority increases its basic amount of Council Tax in excess of principles determined by the Secretary of State. Town and Parish Council precepts are excluded when making this calculation.
- 1.11. The referendum threshold levels above which Council Tax would be considered excessive are set each year by Central Government, for 2024-25 a referendum will be triggered if Cumberland Council set a Council Tax increase is 5%, or more than 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure) when compared to the authority's 'relevant basic amount of council tax for the immediately preceding financial year'.
- 1.12. The relevant basic amount of council tax for the immediately preceding financial year for Cumberland Council is the alternative notional amount, as specified in Annex A of the Annex A of the 'Referendums Relating to Council Tax Increases (Alternative Notional Amounts(ANA)) (England) Report 2024-25', this amount being £1,730.45 for the financial year beginning 1 April 2023.

### **4. Conclusion and reasons for recommendations**

- 1.13. The Council is required to set the Council Tax each year in accordance with the legislative requirements summarised in this report.

## **Implications:**

### **Contribution to the Cumberland Plan Priorities -**

The Cumberland Council Tax is based on the Cumberland Budget, which is set to support the Council in achieving its priorities as set out in the Council Plan

### **Relevant Risks and explain how risks can be mitigated -**

This report is a technical financial calculation and does not require a Risk Management Response

### **Consultation / Engagement -**

The Cumberland Council Tax is based on the Cumberland Budget, a public consultation was held between 15th December 2023 and 12th January 2024. A summary of the responses is included within the body of the report budget and the Appendix I

### **Legal –**

The Council must have a balanced budget to deliver its services and also achieve and sustain an appropriate level of reserves. The setting of the overall Council Tax for the Cumberland district is the final stage of the budget process and it is the responsibility of full Council to approve the aggregate charge before 11th March each year, in accordance with s30(6) of the Local Government Finance Act 1992. Members are each reminded that s106 Local Government Finance Act 1992 applies to this report and members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on any budget recommendations, including Council Tax setting, as to do otherwise can be a criminal offence.

### **Finance –**

If the Council Tax is not set in accordance with the legislation then there is a risk the Council will be unable to bill in a timely manner with a consequential loss of revenue that may affect, adversely on the prudent management of the Council's financial affairs

### **Information Governance –**

There are no specific information governance issues arising from this report

## Impact Assessments –

This report is a technical financial calculation and does not require an Impact Assessment

### Lead Officer Contact details:

Name: Catherine Bell  
Email: Catherine.bell@cumberland.gov.uk  
Phone Number: 07711 634180

### Background papers:

N/A

### Appendices attached to report:

Appendix No.	Name of Appendix
A	Recommendations for Council approval
B-1	The amount of Council Tax which relates to the Local Precept applicable to each valuation band
B-2	Aggregate of the Council Tax for Cumberland Council and Local Precept by valuation band
B-3	The total amount of Council Tax to be levied in 2024-25, inclusive of Cumbria Commissioner Fire and Rescue Authority and the Police & Crime Commissioner for Cumbria Precept, applicable to each valuation band in each area
C	Local Precepting Authorities Council Tax Band D charge for 2024-25

This page is intentionally left blank



Council is recommended to resolve as follows:

- 1) It be noted that the Council calculated:
  - a) the Council Tax base 2024-25 for the whole Council area as **89,966.79** (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)) and;
  - b) the dwellings in those parts of its area to which a Parish Precept relates, as in the attached Appendix C.
  
- 2) The Council calculates that the Council Tax requirement for the Council’s own purposes for 2024-25 (excluding Local Precepting Authorities) is **£163,451,664**.
  
- 3) That the following amounts be calculated for the year 2024-25 in accordance with Sections 31 to 36 of the Act.
  - a) **£755,016,470** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Local Precepting Authorities;
  - b) **£585,829,898** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
  - c) **£169,186,572** being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);
  - d) **£1.880.54** being the amount at (c) above (Item R) divided by Item T (1 a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including the average for Local Precepting Authorities); (as detailed in Appendix B1 Local Precept only by valuation band and Appendix B2 Local Precepting Authorities and Cumberland Council by valuation band);
  - e) **£5,734,908** being the aggregate amount of all special items (Local Precept) referred to in Section 34 (1) of the Act. (as detailed in Appendix B1 Local Precepting Authorities only, by valuation band, and Appendix C Local Precept);
  - f) **£1,816.80** being the amount at (d) above less the result given by dividing the amount at (e) above by Item T (1 a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Local Precept relates.

- 4) The following table reconciles the above Cumberland Council Tax Band D figures at 'd' and 'f' to the figures included at section 4 of the report (the Proposed Tax Level):

	2024-25 £
<b>Cumberland</b>	<b>1,816.80</b>
Town and Parish Council (average)	63.74
<b>TOTAL</b>	<b>1,880.54</b>

- 5) To note that Cumbria Commissioner Fire and Rescue and The Police and Crime Commissioner for Cumbria have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

	Valuation Bands							
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Cumberland Council	1,211.20	1,413.07	1,614.94	<b>1,816.80</b>	2,220.53	2,624.27	3,028.00	3,633.60
Cumbria Commissioner Fire and Rescue	62.16	72.52	82.88	<b>93.24</b>	113.96	134.68	155.40	186.48
Police and Crime Commissioner for Cumbria	206.70	241.15	275.60	<b>310.05</b>	378.95	447.85	516.75	620.10
	<b>1,480.06</b>	<b>1,726.74</b>	<b>1,973.42</b>	<b>2,220.09</b>	2,713.44	<b>3,206.80</b>	<b>3,700.15</b>	<b>4,440.18</b>

- 6) The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables detailed in Appendix B (1,2 and 3), as the amounts of Council Tax for 2024-25 for each part of its area and for each of the categories of dwellings.

## Council Tax for Local Precept by valuation band.

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Workington	92.24	107.61	122.99	138.36	169.11	199.85	230.60	276.72
Keswick	113.19	132.06	150.92	169.79	207.52	245.25	282.98	339.58
Maryport	93.25	108.79	124.33	139.87	170.95	202.03	233.12	279.74
Cockermouth	72.87	85.01	97.16	109.30	133.59	157.88	182.17	218.60
Above Derwent	28.03	32.71	37.38	42.05	51.39	60.74	70.08	84.10
Oughterside & Allerby	38.46	44.87	51.28	57.69	70.51	83.33	96.15	115.38
Bassenthwaite	28.05	32.73	37.40	42.08	51.43	60.78	70.13	84.16
Bewaldeth & Snittlegarth	19.07	22.24	25.42	28.60	34.96	41.31	47.67	57.20
Blindbothel	31.85	37.15	42.46	47.77	58.39	69.00	79.62	95.54
Blindcrake	35.97	41.97	47.96	53.96	65.95	77.94	89.93	107.92
Borrowdale	24.11	28.12	32.14	36.16	44.20	52.23	60.27	72.32
Bothel & Threapland	24.38	28.44	32.51	36.57	44.70	52.82	60.95	73.14
Bridekirk	13.74	16.03	18.32	20.61	25.19	29.77	34.35	41.22
Brigham	19.66	22.94	26.21	29.49	36.04	42.60	49.15	58.98
Broughton	42.35	49.40	56.46	63.52	77.64	91.75	105.87	127.04
Broughton Moor	58.34	68.06	77.79	87.51	106.96	126.40	145.85	175.02
Buttermere	26.41	30.81	35.21	39.61	48.41	57.21	66.02	79.22
Camerton	22.57	26.34	30.10	33.86	41.38	48.91	56.43	67.72
Great Clifton	28.15	32.84	37.53	42.22	51.60	60.98	70.37	84.44
Little clifton	36.71	42.83	48.95	55.07	67.31	79.55	91.78	110.14
Crosscanonby	56.13	65.48	74.84	84.19	102.90	121.61	140.32	168.38
Dean	25.49	29.73	33.98	38.23	46.73	55.22	63.72	76.46
Dearham	33.47	39.05	44.63	50.21	61.37	72.53	83.68	100.42
Embleton	30.85	36.00	41.14	46.28	56.56	66.85	77.13	92.56
Gilcruix	52.31	61.03	69.75	78.47	95.91	113.35	130.78	156.94
Greysouthen	54.37	63.44	72.50	81.56	99.68	117.81	135.93	163.12
Lorton	29.49	34.40	39.32	44.23	54.06	63.89	73.72	88.46
Loweswater	15.92	18.57	21.23	23.88	29.19	34.49	39.80	47.76
Papcastle	37.67	43.95	50.23	56.51	69.07	81.63	94.18	113.02
Plumbland	30.59	35.69	40.79	45.89	56.09	66.29	76.48	91.78
Seaton	32.30	37.68	43.07	48.45	59.22	69.98	80.75	96.90
st Johns Castlerigg & Wythburn	28.61	33.38	38.15	42.92	52.46	62.00	71.53	85.84
Underskiddaw	32.42	37.82	43.23	48.63	59.44	70.24	81.05	97.26
Winscales	79.57	92.83	106.09	119.35	145.87	172.39	198.92	238.70
Aikton	21.22	24.76	28.29	31.83	38.90	45.98	53.05	63.66
Allhallows	39.47	46.05	52.63	59.21	72.37	85.53	98.68	118.42
Allonby	66.55	77.65	88.74	99.83	122.01	144.20	166.38	199.66
Aspatria	78.16	91.19	104.21	117.24	143.29	169.35	195.40	234.48
Blennerhasset & Torpenhow	43.92	51.24	58.56	65.88	80.52	95.16	109.80	131.76
Boltons	13.21	15.41	17.61	19.81	24.21	28.61	33.02	39.62
Bowness on Solway	33.52	39.11	44.69	50.28	61.45	72.63	83.80	100.56

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Bromfield	19.78	23.08	26.37	29.67	36.26	42.86	49.45	59.34
Caldbeck	35.68	41.63	47.57	53.52	65.41	77.31	89.20	107.04
Dundraw	25.62	29.89	34.16	38.43	46.97	55.51	64.05	76.86
Hayton & Mealo	48.56	56.65	64.75	72.84	89.03	105.21	121.40	145.68
Holme Abbey	38.58	45.01	51.44	57.87	70.73	83.59	96.45	115.74
Holme East Waver	41.14	48.00	54.85	61.71	75.42	89.14	102.85	123.42
Holme Low	36.44	42.51	48.59	54.66	66.81	78.95	91.10	109.32
Holme st Cuthbert	26.62	31.06	35.49	39.93	48.80	57.68	66.55	79.86
Ireby & Uldale	19.33	22.56	25.78	29.00	35.44	41.89	48.33	58.00
Kirkbampton	35.97	41.96	47.96	53.95	65.94	77.93	89.92	107.90
Kirkbride	41.46	48.37	55.28	62.19	76.01	89.83	103.65	124.38
Sebergham	29.23	34.10	38.97	43.84	53.58	63.32	73.07	87.68
Silloth	160.01	186.68	213.35	240.02	293.36	346.70	400.03	480.04
Thursby	35.82	41.79	47.76	53.73	65.67	77.61	89.55	107.46
Waverton	18.31	21.36	24.41	27.46	33.56	39.66	45.77	54.92
Westnewton	41.91	48.90	55.88	62.87	76.84	90.81	104.78	125.74
Westward	18.18	21.21	24.24	27.27	33.33	39.39	45.45	54.54
Wigton	138.14	161.16	184.19	207.21	253.26	299.30	345.35	414.42
Woodside	21.86	25.50	29.15	32.79	40.08	47.36	54.65	65.58
Arthuret	62.23	72.60	82.97	93.34	114.08	134.82	155.57	186.68
Askerton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beaumont	28.07	32.75	37.43	42.11	51.47	60.83	70.18	84.22
Bewcastle	25.55	29.80	34.06	38.32	46.84	55.35	63.87	76.64
Brampton	73.84	86.15	98.45	110.76	135.37	159.99	184.60	221.52
Burgh By Sands	35.41	41.32	47.22	53.12	64.92	76.73	88.53	106.24
Burtholme	17.47	20.39	23.30	26.21	32.03	37.86	43.68	52.42
Carlton & Cumrew	20.84	24.31	27.79	31.26	38.21	45.15	52.10	62.52
Castle Carrock	36.69	42.80	48.92	55.03	67.26	79.49	91.72	110.06
Cummersdale	17.05	19.89	22.73	25.57	31.25	36.93	42.62	51.14
Cumwhitton	51.69	60.31	68.92	77.54	94.77	112.00	129.23	155.08
Dalston	49.67	57.95	66.23	74.51	91.07	107.63	124.18	149.02
Nether Denton	56.86	66.34	75.81	85.29	104.24	123.20	142.15	170.58
Upper Denton	21.84	25.48	29.12	32.76	40.04	47.32	54.60	65.52
Farlam	39.99	46.65	53.32	59.98	73.31	86.64	99.97	119.96
Hayton	14.07	16.41	18.76	21.10	25.79	30.48	35.17	42.20
Hethersgill	36.63	42.74	48.84	54.95	67.16	79.37	91.58	109.90
Irthington	24.18	28.21	32.24	36.27	44.33	52.39	60.45	72.54
Kingmoor	17.31	20.20	23.08	25.97	31.74	37.51	43.28	51.94
Kirkandrews	42.75	49.88	57.00	64.13	78.38	92.63	106.88	128.26
Kirklington	12.91	15.07	17.22	19.37	23.67	27.98	32.28	38.74
Midgeholme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nicholforest	28.01	32.67	37.34	42.01	51.35	60.68	70.02	84.02
Orton	29.27	34.14	39.02	43.90	53.66	63.41	73.17	87.80
Rockcliffe	17.12	19.97	22.83	25.68	31.39	37.09	42.80	51.36
Scaleby	29.87	34.85	39.83	44.81	54.77	64.73	74.68	89.62
Solport & Stapleton	12.86	15.00	17.15	19.29	23.58	27.86	32.15	38.58
Stanwix Rural	20.19	23.55	26.92	30.28	37.01	43.74	50.47	60.56
St Cuthberts Without	8.53	9.96	11.38	12.80	15.64	18.49	21.33	25.60
Walton	57.38	66.94	76.51	86.07	105.20	124.32	143.45	172.14
Waterhead	17.40	20.30	23.20	26.10	31.90	37.70	43.50	52.20
Westlinton	10.69	12.48	14.26	16.04	19.60	23.17	26.73	32.08
Wetheral	40.20	46.90	53.60	60.30	73.70	87.10	100.50	120.60
Kingwater	12.97	15.14	17.30	19.46	23.78	28.11	32.43	38.92
Arlcedon and Frizington	26.02	30.36	34.69	39.03	47.70	56.38	65.05	78.06
Bootle	47.13	54.98	62.84	70.69	86.40	102.11	117.82	141.38
St Bees	51.01	59.52	68.02	76.52	93.52	110.53	127.53	153.04
Beckermet with Thornhill	18.94	22.10	25.25	28.41	34.72	41.04	47.35	56.82
Cleator Moor	28.39	33.12	37.85	42.58	52.04	61.50	70.97	85.16
Distington	47.70	55.65	63.60	71.55	87.45	103.35	119.25	143.10
Drigg and Carleton	10.75	12.55	14.34	16.13	19.71	23.30	26.88	32.26
Egremont	53.91	62.90	71.88	80.87	98.84	116.81	134.78	161.74

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Eskdale	42.96	50.12	57.28	64.44	78.76	93.08	107.40	128.88
Ennerdale and Kinniside	47.93	55.91	63.90	71.89	87.87	103.84	119.82	143.78
Gosforth	37.95	44.28	50.60	56.93	69.58	82.23	94.88	113.86
Haile and Wilton	20.66	24.10	27.55	30.99	37.88	44.76	51.65	61.98
Irton with Santon	18.79	21.92	25.05	28.18	34.44	40.70	46.97	56.36
Lowside Quarter	10.79	12.59	14.39	16.19	19.79	23.39	26.98	32.38
Lamplugh	28.70	33.48	38.27	43.05	52.62	62.18	71.75	86.10
Lowca	24.01	28.02	32.02	36.02	44.02	52.03	60.03	72.04
Millom	57.86	67.50	77.15	86.79	106.08	125.36	144.65	173.58
Moresby	20.97	24.46	27.96	31.45	38.44	45.43	52.42	62.90
Muncaster	34.09	39.78	45.46	51.14	62.50	73.87	85.23	102.28
Millom Without	21.77	25.40	29.03	32.66	39.92	47.18	54.43	65.32
Wasdale	20.53	23.95	27.37	30.79	37.63	44.47	51.32	61.58
Ponsonby	35.77	41.73	47.69	53.65	65.57	77.49	89.42	107.30
Parton	41.11	47.96	54.81	61.66	75.36	89.06	102.77	123.32
Seascale	26.27	30.64	35.02	39.40	48.16	56.91	65.67	78.80
Ulpha	3.30	3.85	4.40	4.95	6.05	7.15	8.25	9.90
Waberthwaite	17.22	20.09	22.96	25.83	31.57	37.31	43.05	51.66
Whicham	76.57	89.33	102.09	114.85	140.37	165.89	191.42	229.70
Weddicar	23.75	27.70	31.66	35.62	43.54	51.45	59.37	71.24
Whitehaven	47.04	54.88	62.72	70.56	86.24	101.92	117.60	141.12
Charter Trustees of the City of Carlisle	5.48	6.39	7.31	8.22	10.05	11.87	13.70	16.44

This page is intentionally left blank

## Aggregate of the Council Tax for Cumberland Council and Local Precept by valuation band.

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Workington	1,303.44	1,520.68	1,737.93	1,955.16	2,389.64	2,824.12	3,258.60	3,910.32
Keswick	1,324.39	1,545.13	1,765.86	1,986.59	2,428.05	2,869.52	3,310.98	3,973.18
Maryport	1,304.45	1,521.86	1,739.27	1,956.67	2,391.48	2,826.30	3,261.12	3,913.34
Cockermouth	1,284.07	1,498.08	1,712.10	1,926.10	2,354.12	2,782.15	3,210.17	3,852.20
Above Derwent	1,239.23	1,445.78	1,652.32	1,858.85	2,271.92	2,685.01	3,098.08	3,717.70
Oughterside & Allerby	1,249.66	1,457.94	1,666.22	1,874.49	2,291.04	2,707.60	3,124.15	3,748.98
Bassenthwaite	1,239.25	1,445.80	1,652.34	1,858.88	2,271.96	2,685.05	3,098.13	3,717.76
Bewaldeth & Snittlegarth	1,230.27	1,435.31	1,640.36	1,845.40	2,255.49	2,665.58	3,075.67	3,690.80
Blindbothel	1,243.05	1,450.22	1,657.40	1,864.57	2,278.92	2,693.27	3,107.62	3,729.14
Blindcrake	1,247.17	1,455.04	1,662.90	1,870.76	2,286.48	2,702.21	3,117.93	3,741.52
Borrowdale	1,235.31	1,441.19	1,647.08	1,852.96	2,264.73	2,676.50	3,088.27	3,705.92
Bothel & Threapland	1,235.58	1,441.51	1,647.45	1,853.37	2,265.23	2,677.09	3,088.95	3,706.74
Bridekirk	1,224.94	1,429.10	1,633.26	1,837.41	2,245.72	2,654.04	3,062.35	3,674.82
Brigham	1,230.86	1,436.01	1,641.15	1,846.29	2,256.57	2,666.87	3,077.15	3,692.58
Broughton	1,253.55	1,462.47	1,671.40	1,880.32	2,298.17	2,716.02	3,133.87	3,760.64
Broughton Moor	1,269.54	1,481.13	1,692.73	1,904.31	2,327.49	2,750.67	3,173.85	3,808.62
Buttermere	1,237.61	1,443.88	1,650.15	1,856.41	2,268.94	2,681.48	3,094.02	3,712.82
Camerton	1,233.77	1,439.41	1,645.04	1,850.66	2,261.91	2,673.18	3,084.43	3,701.32
Great Clifton	1,239.35	1,445.91	1,652.47	1,859.02	2,272.13	2,685.25	3,098.37	3,718.04
Little clifton	1,247.91	1,455.90	1,663.89	1,871.87	2,287.84	2,703.82	3,119.78	3,743.74
Crosscanonby	1,267.33	1,478.55	1,689.78	1,900.99	2,323.43	2,745.88	3,168.32	3,801.98
Dean	1,236.69	1,442.80	1,648.92	1,855.03	2,267.26	2,679.49	3,091.72	3,710.06
Dearham	1,244.67	1,452.12	1,659.57	1,867.01	2,281.90	2,696.80	3,111.68	3,734.02
Embleton	1,242.05	1,449.07	1,656.08	1,863.08	2,277.09	2,691.12	3,105.13	3,726.16
Gilcrux	1,263.51	1,474.10	1,684.69	1,895.27	2,316.44	2,737.62	3,158.78	3,790.54
Greysouthen	1,265.57	1,476.51	1,687.44	1,898.36	2,320.21	2,742.08	3,163.93	3,796.72
Lorton	1,240.69	1,447.47	1,654.26	1,861.03	2,274.59	2,688.16	3,101.72	3,722.06
Loweswater	1,227.12	1,431.64	1,636.17	1,840.68	2,249.72	2,658.76	3,067.80	3,681.36
Papcastle	1,248.87	1,457.02	1,665.17	1,873.31	2,289.60	2,705.90	3,122.18	3,746.62
Plumbland	1,241.79	1,448.76	1,655.73	1,862.69	2,276.62	2,690.56	3,104.48	3,725.38
Seaton	1,243.50	1,450.75	1,658.01	1,865.25	2,279.75	2,694.25	3,108.75	3,730.50
st Johns Castlerigg & Wythburn	1,239.81	1,446.45	1,653.09	1,859.72	2,272.99	2,686.27	3,099.53	3,719.44
Underskiddaw	1,243.62	1,450.89	1,658.17	1,865.43	2,279.97	2,694.51	3,109.05	3,730.86
Winscales	1,290.77	1,505.90	1,721.03	1,936.15	2,366.40	2,796.66	3,226.92	3,872.30
Aikton	1,232.42	1,437.83	1,643.23	1,848.63	2,259.43	2,670.25	3,081.05	3,697.26
Allhallows	1,250.67	1,459.12	1,667.57	1,876.01	2,292.90	2,709.80	3,126.68	3,752.02
Allonby	1,277.75	1,490.72	1,703.68	1,916.63	2,342.54	2,768.47	3,194.38	3,833.26
Aspatria	1,289.36	1,504.26	1,719.15	1,934.04	2,363.82	2,793.62	3,223.40	3,868.08
Blennerhasset & Torpenhow	1,255.12	1,464.31	1,673.50	1,882.68	2,301.05	2,719.43	3,137.80	3,765.36
Boltons	1,224.41	1,428.48	1,632.55	1,836.61	2,244.74	2,652.88	3,061.02	3,673.22
Bowness on Solway	1,244.72	1,452.18	1,659.63	1,867.08	2,281.98	2,696.90	3,111.80	3,734.16

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Bromfield	1,230.98	1,436.15	1,641.31	1,846.47	2,256.79	2,667.13	3,077.45	3,692.94
Caldbeck	1,246.88	1,454.70	1,662.51	1,870.32	2,285.94	2,701.58	3,117.20	3,740.64
Dundraw	1,236.82	1,442.96	1,649.10	1,855.23	2,267.50	2,679.78	3,092.05	3,710.46
Hayton & Mealo	1,259.76	1,469.72	1,679.69	1,889.64	2,309.56	2,729.48	3,149.40	3,779.28
Holme Abbey	1,249.78	1,458.08	1,666.38	1,874.67	2,291.26	2,707.86	3,124.45	3,749.34
Holme East Waver	1,252.34	1,461.07	1,669.79	1,878.51	2,295.95	2,713.41	3,130.85	3,757.02
Holme Low	1,247.64	1,455.58	1,663.53	1,871.46	2,287.34	2,703.22	3,119.10	3,742.92
Holme st Cuthbert	1,237.82	1,444.13	1,650.43	1,856.73	2,269.33	2,681.95	3,094.55	3,713.46
Ireby & Uldale	1,230.53	1,435.63	1,640.72	1,845.80	2,255.97	2,666.16	3,076.33	3,691.60
Kirkbampton	1,247.17	1,455.03	1,662.90	1,870.75	2,286.47	2,702.20	3,117.92	3,741.50
Kirkbride	1,252.66	1,461.44	1,670.22	1,878.99	2,296.54	2,714.10	3,131.65	3,757.98
Sebergham	1,240.43	1,447.17	1,653.91	1,860.64	2,274.11	2,687.59	3,101.07	3,721.28
Silloth	1,371.21	1,599.75	1,828.29	2,056.82	2,513.89	2,970.97	3,428.03	4,113.64
Thursby	1,247.02	1,454.86	1,662.70	1,870.53	2,286.20	2,701.88	3,117.55	3,741.06
Waverton	1,229.51	1,434.43	1,639.35	1,844.26	2,254.09	2,663.93	3,073.77	3,688.52
Westnewton	1,253.11	1,461.97	1,670.82	1,879.67	2,297.37	2,715.08	3,132.78	3,759.34
Westward	1,229.38	1,434.28	1,639.18	1,844.07	2,253.86	2,663.66	3,073.45	3,688.14
Wigton	1,349.34	1,574.23	1,799.13	2,024.01	2,473.79	2,923.57	3,373.35	4,048.02
Woodside	1,233.06	1,438.57	1,644.09	1,849.59	2,260.61	2,671.63	3,082.65	3,699.18
Arthuret	1,273.43	1,485.67	1,697.91	1,910.14	2,334.61	2,759.09	3,183.57	3,820.28
Askerton	1,211.20	1,413.07	1,614.94	1,816.80	2,220.53	2,624.27	3,028.00	3,633.60
Beaumont	1,239.27	1,445.82	1,652.37	1,858.91	2,272.00	2,685.10	3,098.18	3,717.82
Bewcastle	1,236.75	1,442.87	1,649.00	1,855.12	2,267.37	2,679.62	3,091.87	3,710.24
Brampton	1,285.04	1,499.22	1,713.39	1,927.56	2,355.90	2,784.26	3,212.60	3,855.12
Burgh By Sands	1,246.61	1,454.39	1,662.16	1,869.92	2,285.45	2,701.00	3,116.53	3,739.84
Burtholme	1,228.67	1,433.46	1,638.24	1,843.01	2,252.56	2,662.13	3,071.68	3,686.02
Carlton & Cumrew	1,232.04	1,437.38	1,642.73	1,848.06	2,258.74	2,669.42	3,080.10	3,696.12
Castle Carrock	1,247.89	1,455.87	1,663.86	1,871.83	2,287.79	2,703.76	3,119.72	3,743.66
Cummersdale	1,228.25	1,432.96	1,637.67	1,842.37	2,251.78	2,661.20	3,070.62	3,684.74
Cumwhitton	1,262.89	1,473.38	1,683.86	1,894.34	2,315.30	2,736.27	3,157.23	3,788.68
Dalston	1,260.87	1,471.02	1,681.17	1,891.31	2,311.60	2,731.90	3,152.18	3,782.62
Nether Denton	1,268.06	1,479.41	1,690.75	1,902.09	2,324.77	2,747.47	3,170.15	3,804.18
Upper Denton	1,233.04	1,438.55	1,644.06	1,849.56	2,260.57	2,671.59	3,082.60	3,699.12
Farlam	1,251.19	1,459.72	1,668.26	1,876.78	2,293.84	2,710.91	3,127.97	3,753.56
Hayton	1,225.27	1,429.48	1,633.70	1,837.90	2,246.32	2,654.75	3,063.17	3,675.80
Hethersgill	1,247.83	1,455.81	1,663.78	1,871.75	2,287.69	2,703.64	3,119.58	3,743.50
Irthington	1,235.38	1,441.28	1,647.18	1,853.07	2,264.86	2,676.66	3,088.45	3,706.14
Kingmoor	1,228.51	1,433.27	1,638.02	1,842.77	2,252.27	2,661.78	3,071.28	3,685.54
Kirkandrews	1,253.95	1,462.95	1,671.94	1,880.93	2,298.91	2,716.90	3,134.88	3,761.86
Kirklington	1,224.11	1,428.14	1,632.16	1,836.17	2,244.20	2,652.25	3,060.28	3,672.34
Midgeholme	1,211.20	1,413.07	1,614.94	1,816.80	2,220.53	2,624.27	3,028.00	3,633.60
Nicholforest	1,239.21	1,445.74	1,652.28	1,858.81	2,271.88	2,684.95	3,098.02	3,717.62
Orton	1,240.47	1,447.21	1,653.96	1,860.70	2,274.19	2,687.68	3,101.17	3,721.40
Rockcliffe	1,228.32	1,433.04	1,637.77	1,842.48	2,251.92	2,661.36	3,070.80	3,684.96
Scaleby	1,241.07	1,447.92	1,654.77	1,861.61	2,275.30	2,689.00	3,102.68	3,723.22
Solport & Stapleton	1,224.06	1,428.07	1,632.09	1,836.09	2,244.11	2,652.13	3,060.15	3,672.18
Stanwix Rural	1,231.39	1,436.62	1,641.86	1,847.08	2,257.54	2,668.01	3,078.47	3,694.16
St Cuthberts Without	1,219.73	1,423.03	1,626.32	1,829.60	2,236.17	2,642.76	3,049.33	3,659.20
Walton	1,268.58	1,480.01	1,691.45	1,902.87	2,325.73	2,748.59	3,171.45	3,805.74
Waterhead	1,228.60	1,433.37	1,638.14	1,842.90	2,252.43	2,661.97	3,071.50	3,685.80
Westlinton	1,221.89	1,425.55	1,629.20	1,832.84	2,240.13	2,647.44	3,054.73	3,665.68
Wetheral	1,251.40	1,459.97	1,668.54	1,877.10	2,294.23	2,711.37	3,128.50	3,754.20
Kingwater	1,224.17	1,428.21	1,632.24	1,836.26	2,244.31	2,652.38	3,060.43	3,672.52
Arlecdon and Frizington	1,237.22	1,443.43	1,649.63	1,855.83	2,268.23	2,680.65	3,093.05	3,711.66
Bootle	1,258.33	1,468.05	1,677.78	1,887.49	2,306.93	2,726.38	3,145.82	3,774.98
St Bees	1,262.21	1,472.59	1,682.96	1,893.32	2,314.05	2,734.80	3,155.53	3,786.64
Beckermet with Thornhill	1,230.14	1,435.17	1,640.19	1,845.21	2,255.25	2,665.31	3,075.35	3,690.42
Cleator Moor	1,239.59	1,446.19	1,652.79	1,859.38	2,272.57	2,685.77	3,098.97	3,718.76
Distington	1,258.90	1,468.72	1,678.54	1,888.35	2,307.98	2,727.62	3,147.25	3,776.70
Drigg and Carleton	1,221.95	1,425.62	1,629.28	1,832.93	2,240.24	2,647.57	3,054.88	3,665.86
Egremont	1,265.11	1,475.97	1,686.82	1,897.67	2,319.37	2,741.08	3,162.78	3,795.34
Eskdale	1,254.16	1,463.19	1,672.22	1,881.24	2,299.29	2,717.35	3,135.40	3,762.48



Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ennerdale and Kinniside	1,259.13	1,468.98	1,678.84	1,888.69	2,308.40	2,728.11	3,147.82	3,777.38
Gosforth	1,249.15	1,457.35	1,665.54	1,873.73	2,290.11	2,706.50	3,122.88	3,747.46
Haile and Wilton	1,231.86	1,437.17	1,642.49	1,847.79	2,258.41	2,669.03	3,079.65	3,695.58
Irton with Santon	1,229.99	1,434.99	1,639.99	1,844.98	2,254.97	2,664.97	3,074.97	3,689.96
Lowside Quarter	1,221.99	1,425.66	1,629.33	1,832.99	2,240.32	2,647.66	3,054.98	3,665.98
Lamplugh	1,239.90	1,446.55	1,653.21	1,859.85	2,273.15	2,686.45	3,099.75	3,719.70
Lowca	1,235.21	1,441.09	1,646.96	1,852.82	2,264.55	2,676.30	3,088.03	3,705.64
Millom	1,269.06	1,480.57	1,692.09	1,903.59	2,326.61	2,749.63	3,172.65	3,807.18
Moresby	1,232.17	1,437.53	1,642.90	1,848.25	2,258.97	2,669.70	3,080.42	3,696.50
Muncaster	1,245.29	1,452.85	1,660.40	1,867.94	2,283.03	2,698.14	3,113.23	3,735.88
Millom Without	1,232.97	1,438.47	1,643.97	1,849.46	2,260.45	2,671.45	3,082.43	3,698.92
Wasdale	1,231.73	1,437.02	1,642.31	1,847.59	2,258.16	2,668.74	3,079.32	3,695.18
Ponsonby	1,246.97	1,454.80	1,662.63	1,870.45	2,286.10	2,701.76	3,117.42	3,740.90
Parton	1,252.31	1,461.03	1,669.75	1,878.46	2,295.89	2,713.33	3,130.77	3,756.92
Seascale	1,237.47	1,443.71	1,649.96	1,856.20	2,268.69	2,681.18	3,093.67	3,712.40
Ulpha	1,214.50	1,416.92	1,619.34	1,821.75	2,226.58	2,631.42	3,036.25	3,643.50
Waberthwaite	1,228.42	1,433.16	1,637.90	1,842.63	2,252.10	2,661.58	3,071.05	3,685.26
Whicham	1,287.77	1,502.40	1,717.03	1,931.65	2,360.90	2,790.16	3,219.42	3,863.30
Weddicar	1,234.95	1,440.77	1,646.60	1,852.42	2,264.07	2,675.72	3,087.37	3,704.84
Whitehaven	1,258.24	1,467.95	1,677.66	1,887.36	2,306.77	2,726.19	3,145.60	3,774.72
Charter Trustees of the City of Carlisle	1,216.68	1,419.46	1,622.25	1,825.02	2,230.58	2,636.14	3,041.70	3,650.04

This page is intentionally left blank

Aggregate of the Council Tax for Cumberland Council, Cumbria Commissioner Fire and Rescue Authority, Police and Crime Commissioner for Cumbria and Local Precept by valuation band.

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Workington	1,572.30	1,834.35	2,096.41	<b>2,358.45</b>	2,882.55	3,406.65	3,930.75	4,716.90
Keswick	1,593.25	1,858.80	2,124.34	<b>2,389.88</b>	2,920.96	3,452.05	3,983.13	4,779.76
Maryport	1,573.31	1,835.53	2,097.75	<b>2,359.96</b>	2,884.39	3,408.83	3,933.27	4,719.92
Cockermouth	1,552.93	1,811.75	2,070.58	<b>2,329.39</b>	2,847.03	3,364.68	3,882.32	4,658.78
Above Derwent	1,508.09	1,759.45	2,010.80	<b>2,262.14</b>	2,764.83	3,267.54	3,770.23	4,524.28
Oughterside & Allerby	1,518.52	1,771.61	2,024.70	<b>2,277.78</b>	2,783.95	3,290.13	3,796.30	4,555.56
Bassenthwaite	1,508.11	1,759.47	2,010.82	<b>2,262.17</b>	2,764.87	3,267.58	3,770.28	4,524.34
Bewaldeth & Snittlegarth	1,499.13	1,748.98	1,998.84	<b>2,248.69</b>	2,748.40	3,248.11	3,747.82	4,497.38
Blindbothel	1,511.91	1,763.89	2,015.88	<b>2,267.86</b>	2,771.83	3,275.80	3,779.77	4,535.72
Blindcraike	1,516.03	1,768.71	2,021.38	<b>2,274.05</b>	2,779.39	3,284.74	3,790.08	4,548.10
Borrowdale	1,504.17	1,754.86	2,005.56	<b>2,256.25</b>	2,757.64	3,259.03	3,760.42	4,512.50
Bothel & Threapland	1,504.44	1,755.18	2,005.93	<b>2,256.66</b>	2,758.14	3,259.62	3,761.10	4,513.32
Bridekirk	1,493.80	1,742.77	1,991.74	<b>2,240.70</b>	2,738.63	3,236.57	3,734.50	4,481.40
Brigham	1,499.72	1,749.68	1,999.63	<b>2,249.58</b>	2,749.48	3,249.40	3,749.30	4,499.16
Broughton	1,522.41	1,776.14	2,029.88	<b>2,283.61</b>	2,791.08	3,298.55	3,806.02	4,567.22
Broughton Moor	1,538.40	1,794.80	2,051.21	<b>2,307.60</b>	2,820.40	3,333.20	3,846.00	4,615.20
Buttermere	1,506.47	1,757.55	2,008.63	<b>2,259.70</b>	2,761.85	3,264.01	3,766.17	4,519.40
Camerton	1,502.63	1,753.08	2,003.52	<b>2,253.95</b>	2,754.82	3,255.71	3,756.58	4,507.90
Great Clifton	1,508.21	1,759.58	2,010.95	<b>2,262.31</b>	2,765.04	3,267.78	3,770.52	4,524.62
Little clifton	1,516.77	1,769.57	2,022.37	<b>2,275.16</b>	2,780.75	3,286.35	3,791.93	4,550.32
Crosscanonby	1,536.19	1,792.22	2,048.26	<b>2,304.28</b>	2,816.34	3,328.41	3,840.47	4,608.56
Dean	1,505.55	1,756.47	2,007.40	<b>2,258.32</b>	2,760.17	3,262.02	3,763.87	4,516.64
Dearham	1,513.53	1,765.79	2,018.05	<b>2,270.30</b>	2,774.81	3,279.33	3,783.83	4,540.60
Embleton	1,510.91	1,762.74	2,014.56	<b>2,266.37</b>	2,770.00	3,273.65	3,777.28	4,532.74
Gilcrux	1,532.37	1,787.77	2,043.17	<b>2,298.56</b>	2,809.35	3,320.15	3,830.93	4,597.12
Greysouthen	1,534.43	1,790.18	2,045.92	<b>2,301.65</b>	2,813.12	3,324.61	3,836.08	4,603.30
Lorton	1,509.55	1,761.14	2,012.74	<b>2,264.32</b>	2,767.50	3,270.69	3,773.87	4,528.64
Loweswater	1,495.98	1,745.31	1,994.65	<b>2,243.97</b>	2,742.63	3,241.29	3,739.95	4,487.94
Papcastle	1,517.73	1,770.69	2,023.65	<b>2,276.60</b>	2,782.51	3,288.43	3,794.33	4,553.20
Plumbland	1,510.65	1,762.43	2,014.21	<b>2,265.98</b>	2,769.53	3,273.09	3,776.63	4,531.96
Seaton	1,512.36	1,764.42	2,016.49	<b>2,268.54</b>	2,772.66	3,276.78	3,780.90	4,537.08
st Johns Castlerigg & Wythburn	1,508.67	1,760.12	2,011.57	<b>2,263.01</b>	2,765.90	3,268.80	3,771.68	4,526.02
Underskiddaw	1,512.48	1,764.56	2,016.65	<b>2,268.72</b>	2,772.88	3,277.04	3,781.20	4,537.44
Winscales	1,559.63	1,819.57	2,079.51	<b>2,339.44</b>	2,859.31	3,379.19	3,899.07	4,678.88
Aikton	1,501.28	1,751.50	2,001.71	<b>2,251.92</b>	2,752.34	3,252.78	3,753.20	4,503.84
Allhallows	1,519.53	1,772.79	2,026.05	<b>2,279.30</b>	2,785.81	3,292.33	3,798.83	4,558.60
Allonby	1,546.61	1,804.39	2,062.16	<b>2,319.92</b>	2,835.45	3,351.00	3,866.53	4,639.84
Aspatria	1,558.22	1,817.93	2,077.63	<b>2,337.33</b>	2,856.73	3,376.15	3,895.55	4,674.66
Blennerhasset & Torpenhow	1,523.98	1,777.98	2,031.98	<b>2,285.97</b>	2,793.96	3,301.96	3,809.95	4,571.94
Boltons	1,493.27	1,742.15	1,991.03	<b>2,239.90</b>	2,737.65	3,235.41	3,733.17	4,479.80
Bowness on Solway	1,513.58	1,765.85	2,018.11	<b>2,270.37</b>	2,774.89	3,279.43	3,783.95	4,540.74

Part of the Council's area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Bromfield	1,499.84	1,749.82	1,999.79	<b>2,249.76</b>	2,749.70	3,249.66	3,749.60	4,499.52
Caldbeck	1,515.74	1,768.37	2,020.99	<b>2,273.61</b>	2,778.85	3,284.11	3,789.35	4,547.22
Dundraw	1,505.68	1,756.63	2,007.58	<b>2,258.52</b>	2,760.41	3,262.31	3,764.20	4,517.04
Hayton & Mealo	1,528.62	1,783.39	2,038.17	<b>2,292.93</b>	2,802.47	3,312.01	3,821.55	4,585.86
Holme Abbey	1,518.64	1,771.75	2,024.86	<b>2,277.96</b>	2,784.17	3,290.39	3,796.60	4,555.92
Holme East Waver	1,521.20	1,774.74	2,028.27	<b>2,281.80</b>	2,788.86	3,295.94	3,803.00	4,563.60
Holme Low	1,516.50	1,769.25	2,022.01	<b>2,274.75</b>	2,780.25	3,285.75	3,791.25	4,549.50
Holme st Cuthbert	1,506.68	1,757.80	2,008.91	<b>2,260.02</b>	2,762.24	3,264.48	3,766.70	4,520.04
Ireby & Uldale	1,499.39	1,749.30	1,999.20	<b>2,249.09</b>	2,748.88	3,248.69	3,748.48	4,498.18
Kirkbampton	1,516.03	1,768.70	2,021.38	<b>2,274.04</b>	2,779.38	3,284.73	3,790.07	4,548.08
Kirkbride	1,521.52	1,775.11	2,028.70	<b>2,282.28</b>	2,789.45	3,296.63	3,803.80	4,564.56
Sebergham	1,509.29	1,760.84	2,012.39	<b>2,263.93</b>	2,767.02	3,270.12	3,773.22	4,527.86
Silloth	1,640.07	1,913.42	2,186.77	<b>2,460.11</b>	3,006.80	3,553.50	4,100.18	4,920.22
Thursby	1,515.88	1,768.53	2,021.18	<b>2,273.82</b>	2,779.11	3,284.41	3,789.70	4,547.64
Waverton	1,498.37	1,748.10	1,997.83	<b>2,247.55</b>	2,747.00	3,246.46	3,745.92	4,495.10
Westnewton	1,521.97	1,775.64	2,029.30	<b>2,282.96</b>	2,790.28	3,297.61	3,804.93	4,565.92
Westward	1,498.24	1,747.95	1,997.66	<b>2,247.36</b>	2,746.77	3,246.19	3,745.60	4,494.72
Wigton	1,618.20	1,887.90	2,157.61	<b>2,427.30</b>	2,966.70	3,506.10	4,045.50	4,854.60
Woodside	1,501.92	1,752.24	2,002.57	<b>2,252.88</b>	2,753.52	3,254.16	3,754.80	4,505.76
Arthurct	1,542.29	1,799.34	2,056.39	<b>2,313.43</b>	2,827.52	3,341.62	3,855.72	4,626.86
Askerton	1,480.06	1,726.74	1,973.42	<b>2,220.09</b>	2,713.44	3,206.80	3,700.15	4,440.18
Beaumont	1,508.13	1,759.49	2,010.85	<b>2,262.20</b>	2,764.91	3,267.63	3,770.33	4,524.40
Bewcastle	1,505.61	1,756.54	2,007.48	<b>2,258.41</b>	2,760.28	3,262.15	3,764.02	4,516.82
Brampton	1,553.90	1,812.89	2,071.87	<b>2,330.85</b>	2,848.81	3,366.79	3,884.75	4,661.70
Burgh By Sands	1,515.47	1,768.06	2,020.64	<b>2,273.21</b>	2,778.36	3,283.53	3,788.68	4,546.42
Burholme	1,497.53	1,747.13	1,996.72	<b>2,246.30</b>	2,745.47	3,244.66	3,743.83	4,492.60
Carlton & Cumrew	1,500.90	1,751.05	2,001.21	<b>2,251.35</b>	2,751.65	3,251.95	3,752.25	4,502.70
Castle Carrock	1,516.75	1,769.54	2,022.34	<b>2,275.12</b>	2,780.70	3,286.29	3,791.87	4,550.24
Cummersdale	1,497.11	1,746.63	1,996.15	<b>2,245.66</b>	2,744.69	3,243.73	3,742.77	4,491.32
Cumwhitton	1,531.75	1,787.05	2,042.34	<b>2,297.63</b>	2,808.21	3,318.80	3,829.38	4,595.26
Dalston	1,529.73	1,784.69	2,039.65	<b>2,294.60</b>	2,804.51	3,314.43	3,824.33	4,589.20
Nether Denton	1,536.92	1,793.08	2,049.23	<b>2,305.38</b>	2,817.68	3,330.00	3,842.30	4,610.76
Upper Denton	1,501.90	1,752.22	2,002.54	<b>2,252.85</b>	2,753.48	3,254.12	3,754.75	4,505.70
Farlam	1,520.05	1,773.39	2,026.74	<b>2,280.07</b>	2,786.75	3,293.44	3,800.12	4,560.14
Hayton	1,494.13	1,743.15	1,992.18	<b>2,241.19</b>	2,739.23	3,237.28	3,735.32	4,482.38
Hethersgill	1,516.69	1,769.48	2,022.26	<b>2,275.04</b>	2,780.60	3,286.17	3,791.73	4,550.08
Irthington	1,504.24	1,754.95	2,005.66	<b>2,256.36</b>	2,757.77	3,259.19	3,760.60	4,512.72
Kingmoor	1,497.37	1,746.94	1,996.50	<b>2,246.06</b>	2,745.18	3,244.31	3,743.43	4,492.12
Kirkandrews	1,522.81	1,776.62	2,030.42	<b>2,284.22</b>	2,791.82	3,299.43	3,807.03	4,568.44
Kirklington	1,492.97	1,741.81	1,990.64	<b>2,239.46</b>	2,737.11	3,234.78	3,732.43	4,478.92
Midgeholme	1,480.06	1,726.74	1,973.42	<b>2,220.09</b>	2,713.44	3,206.80	3,700.15	4,440.18
Nicholforest	1,508.07	1,759.41	2,010.76	<b>2,262.10</b>	2,764.79	3,267.48	3,770.17	4,524.20
Orton	1,509.33	1,760.88	2,012.44	<b>2,263.99</b>	2,767.10	3,270.21	3,773.32	4,527.98
Rockcliffe	1,497.18	1,746.71	1,996.25	<b>2,245.77</b>	2,744.83	3,243.89	3,742.95	4,491.54
Scaleby	1,509.93	1,761.59	2,013.25	<b>2,264.90</b>	2,768.21	3,271.53	3,774.83	4,529.80
Solport & Stapleton	1,492.92	1,741.74	1,990.57	<b>2,239.38</b>	2,737.02	3,234.66	3,732.30	4,478.76
Stanwix Rural	1,500.25	1,750.29	2,000.34	<b>2,250.37</b>	2,750.45	3,250.54	3,750.62	4,500.74
St Cuthberts Without	1,488.59	1,736.70	1,984.80	<b>2,232.89</b>	2,729.08	3,225.29	3,721.48	4,465.78
Walton	1,537.44	1,793.68	2,049.93	<b>2,306.16</b>	2,818.64	3,331.12	3,843.60	4,612.32
Waterhead	1,497.46	1,747.04	1,996.62	<b>2,246.19</b>	2,745.34	3,244.50	3,743.65	4,492.38
Westlinton	1,490.75	1,739.22	1,987.68	<b>2,236.13</b>	2,733.04	3,229.97	3,726.88	4,472.26
Wetheral	1,520.26	1,773.64	2,027.02	<b>2,280.39</b>	2,787.14	3,293.90	3,800.65	4,560.78
Kingwater	1,493.03	1,741.88	1,990.72	<b>2,239.55</b>	2,737.22	3,234.91	3,732.58	4,479.10
Arlecdon and Frizington	1,506.08	1,757.10	2,008.11	<b>2,259.12</b>	2,761.14	3,263.18	3,765.20	4,518.24
Bootle	1,527.19	1,781.72	2,036.26	<b>2,290.78</b>	2,799.84	3,308.91	3,817.97	4,581.56
St Bees	1,531.07	1,786.26	2,041.44	<b>2,296.61</b>	2,806.96	3,317.33	3,827.68	4,593.22
Beckermeth with Thornhill	1,499.00	1,748.84	1,998.67	<b>2,248.50</b>	2,748.16	3,247.84	3,747.50	4,497.00
Cleator Moor	1,508.45	1,759.86	2,011.27	<b>2,262.67</b>	2,765.48	3,268.30	3,771.12	4,525.34
Distington	1,527.76	1,782.39	2,037.02	<b>2,291.64</b>	2,800.89	3,310.15	3,819.40	4,583.28
Drigg and Carleton	1,490.81	1,739.29	1,987.76	<b>2,236.22</b>	2,733.15	3,230.10	3,727.03	4,472.44
Egremont	1,533.97	1,789.64	2,045.30	<b>2,300.96</b>	2,812.28	3,323.61	3,834.93	4,601.92
Eskdale	1,523.02	1,776.86	2,030.70	<b>2,284.53</b>	2,792.20	3,299.88	3,807.55	4,569.06
Ennerdale and Kinniside	1,527.99	1,782.65	2,037.32	<b>2,291.98</b>	2,801.31	3,310.64	3,819.97	4,583.96
Gosforth	1,518.01	1,771.02	2,024.02	<b>2,277.02</b>	2,783.02	3,289.03	3,795.03	4,554.04
Haile and Wilton	1,500.72	1,750.84	2,000.97	<b>2,251.08</b>	2,751.32	3,251.56	3,751.80	4,502.16
Irton with Santon	1,498.85	1,748.66	1,998.47	<b>2,248.27</b>	2,747.88	3,247.50	3,747.12	4,496.54
Lowside Quarter	1,490.85	1,739.33	1,987.81	<b>2,236.28</b>	2,733.23	3,230.19	3,727.13	4,472.56
Lamplugh	1,508.76	1,760.22	2,011.69	<b>2,263.14</b>	2,766.06	3,268.98	3,771.90	4,526.28
Lowca	1,504.07	1,754.76	2,005.44	<b>2,256.11</b>	2,757.46	3,258.83	3,760.18	4,512.22

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Millom	1,537.92	1,794.24	2,050.57	<b>2,306.88</b>	2,819.52	3,332.16	3,844.80	4,613.76
Moresby	1,501.03	1,751.20	2,001.38	<b>2,251.54</b>	2,751.88	3,252.23	3,752.57	4,503.08
Muncaster	1,514.15	1,766.52	2,018.88	<b>2,271.23</b>	2,775.94	3,280.67	3,785.38	4,542.46
Millom Without	1,501.83	1,752.14	2,002.45	<b>2,252.75</b>	2,753.36	3,253.98	3,754.58	4,505.50
Wasdale	1,500.59	1,750.69	2,000.79	<b>2,250.88</b>	2,751.07	3,251.27	3,751.47	4,501.76
Ponsonby	1,515.83	1,768.47	2,021.11	<b>2,273.74</b>	2,779.01	3,284.29	3,789.57	4,547.48
Parton	1,521.17	1,774.70	2,028.23	<b>2,281.75</b>	2,788.80	3,295.86	3,802.92	4,563.50
Seascale	1,506.33	1,757.38	2,008.44	<b>2,259.49</b>	2,761.60	3,263.71	3,765.82	4,518.98
Ulpha	1,483.36	1,730.59	1,977.82	<b>2,225.04</b>	2,719.49	3,213.95	3,708.40	4,450.08
Waberthwaite	1,497.28	1,746.83	1,996.38	<b>2,245.92</b>	2,745.01	3,244.11	3,743.20	4,491.84
Whicham	1,556.63	1,816.07	2,075.51	<b>2,334.94</b>	2,853.81	3,372.69	3,891.57	4,669.88
Weddicar	1,503.81	1,754.44	2,005.08	<b>2,255.71</b>	2,756.98	3,258.25	3,759.52	4,511.42
Whitehaven	1,527.10	1,781.62	2,036.14	<b>2,290.65</b>	2,799.68	3,308.72	3,817.75	4,581.30
Charter Trustees of the City of Carlisle	1,485.54	1,733.13	1,980.73	<b>2,228.31</b>	2,723.49	3,218.67	3,713.85	4,456.62

This page is intentionally left blank

LOCAL PRECEPT BAND D

	<b>Net Local Precept £</b>	<b>Tax Base</b>	<b>Band D Rate £</b>
Workington	986,709.00	7,131.41	138.36
Keswick	349,627.00	2,059.17	169.79
Maryport	384,301.22	2,747.56	139.87
Cockermouth	376,362.00	3,443.41	109.30
Above Derwent	28,436.15	676.17	42.05
Oughterside & Allerby	11,000.00	190.67	57.69
Bassenthwaite	8,820.00	209.61	42.08
Bewaldeth & Snittlegarth	475.00	16.61	28.60
Blindbothel	3,400.00	71.17	47.77
Blindcraike	7,650.00	141.77	53.96
Borrowdale	6,926.04	191.54	36.16
Bothel & Threapland	6,000.00	164.06	36.57
Bridekirk	6,500.00	315.38	20.61
Brigham	12,000.00	406.98	29.49
Broughton	37,116.37	584.29	63.52
Broughton Moor	22,000.00	251.40	87.51
Buttermere	2,900.00	73.22	39.61
Camerton	2,000.00	59.06	33.86
Great Clifton	13,000.00	307.92	42.22
Little clifton	7,500.00	136.18	55.07
Crosscanonby	29,950.00	355.73	84.19
Dean	20,400.00	533.61	38.23
Dearham	40,203.00	800.71	50.21
Embleton	9,996.00	215.98	46.28
Gilcruix	9,000.00	114.69	78.47
Greysouthern	18,500.00	226.82	81.56
Lorton	7,356.00	166.32	44.23
Loweswater	3,275.00	137.12	23.88
Papcastle	10,550.00	186.68	56.51
Plumbland	6,250.00	136.19	45.89
Seaton	75,376.57	1,555.76	48.45
st Johns Castlerigg & Wythburn	8,087.00	188.41	42.92
Underskiddaw	7,416.00	152.50	48.63
Winscales	7,000.00	58.65	119.35
Aikton	5,200.00	163.37	31.83
Allhallows	10,100.00	170.58	59.21
Allonby	16,800.00	168.28	99.83
Aspatria	87,575.00	746.95	117.24
Blennerhasset & Torpenhow	11,650.00	176.83	65.88
Boltons	5,000.00	252.39	19.81
Bowness on Solway	18,784.00	373.57	50.28
Bromfield	6,500.00	219.07	29.67
Caldbeck	18,330.00	342.47	53.52
Dundraw	2,500.00	65.06	38.43
Hayton & Mealo	5,800.00	79.63	72.84
Holme Abbey	13,412.19	231.76	57.87
Holme East Waver	8,000.00	129.63	61.71
Holme Low	7,500.00	137.20	54.66
Holme st Cuthbert	6,000.00	150.26	39.93

APPENDIX C

	<b>Net Local Precept £</b>	<b>Tax Base</b>	<b>Band D Rate £</b>
Ireby & Uldale	6,000.00	206.89	29.00
Kirkbampton	9,555.00	177.11	53.95
Kirkbride	10,000.00	160.79	62.19
Sebergham	6,300.00	143.71	43.84
Silloth	209,148.00	871.36	240.02
Thursby	26,125.00	486.24	53.73
Waverton	3,150.00	114.73	27.46
Westnewton	6,000.00	95.43	62.87
Westward	9,000.00	330.08	27.27
Wigton	390,000.00	1,882.11	207.21
Woodside	6,547.00	199.65	32.79
Arthuret	75,671.00	810.67	93.34
Askerton	0.00	58.29	0.00
Beaumont	8,600.00	204.22	42.11
Bewcastle	5,500.00	143.52	38.32
Brampton	186,985.00	1,688.15	110.76
Burgh By Sands	29,000.00	545.95	53.12
Burtholme	2,400.00	91.56	26.21
Carlatton & Cumrew	1,900.00	60.79	31.26
Castle Carrock	7,650.00	139.01	55.03
Cummersdale	14,272.19	558.06	25.57
Cumwhitton	10,959.00	141.34	77.54
Dalston	90,046.00	1,208.50	74.51
Nether Denton	9,222.00	108.12	85.29
Upper Denton	1,216.00	37.12	32.76
Farlam	13,872.00	231.29	59.98
Hayton	19,500.00	924.04	21.10
Hethersgill	7,420.00	135.04	54.95
Irthington	12,097.00	333.50	36.27
Kingmoor	12,600.00	485.11	25.97
Kirkandrews	10,260.00	160.00	64.13
Kirklington	2,900.00	149.68	19.37
Midgeholme	0.00	25.36	0.00
Nicholforest	6,000.00	142.82	42.01
Orton	8,500.00	193.62	43.90
Rockcliffe	8,432.00	328.33	25.68
Scaleby	6,409.00	143.04	44.81
Solport & Stapleton	3,000.00	155.55	19.29
Stanwix Rural	46,500.00	1,535.43	30.28
St Cuthberts Without	27,000.00	2,110.13	12.80
Walton	9,550.00	110.96	86.07
Waterhead	1,400.00	53.64	26.10
Westlinton	2,200.00	137.14	16.04
Wetheral	172,755.00	2,865.06	60.30
Kingwater	1,200.00	61.65	19.46
Arlecdon and Frizington	45,000.00	1,152.98	39.03
Bootle	19,500.00	275.85	70.69
St Bees	57,000.00	744.89	76.52
Beckermet with Thornhill	15,400.00	541.97	28.41
Cleator Moor	85,000.00	1,996.35	42.58
Distinguon	44,000.00	614.98	71.55
Drigg and Carleton	3,250.00	201.46	16.13



**APPENDIX C**

	<b>Net Local Precept £</b>	<b>Tax Base</b>	<b>Band D Rate £</b>
Egremont	184,948.41	2,286.96	80.87
Eskdale	8,760.00	135.94	64.44
Ennerdale and Kinniside	12,210.00	169.85	71.89
Gosforth	30,010.00	527.13	56.93
Haile and Wilton	5,500.00	177.46	30.99
Irton with Santon	3,500.00	124.20	28.18
Lowside Quarter	4,000.00	247.07	16.19
Lamplugh	13,690.00	317.99	43.05
Lowca	8,240.00	228.76	36.02
Millom	172,669.00	1,989.55	86.79
Moresby	19,500.00	620.06	31.45
Muncaster	6,413.00	125.39	51.14
Millom Without	12,000.00	367.41	32.66
Wasdale	2,125.00	69.01	30.79
Ponsonby	5,589.00	104.18	53.65
Parton	13,500.00	218.94	61.66
Seascale	25,510.51	647.49	39.40
Ulpha	364.00	73.52	4.95
Waberthwaite	2,600.00	100.66	25.83
Whicham	20,822.00	181.30	114.85
Weddicar	6,000.00	168.44	35.62
Whitehaven	493,963.00	7,000.26	70.56
Charter Trustees of the City of Carlisle	167,769.00	20,398.15	8.22

<b>5,734,907.65</b>	<b>89,966.79</b>
---------------------	------------------

<b>63.74</b>
--------------

This page is intentionally left blank



## Report to Council

Meeting Date – 06 March 2024

Key Decision – No

Public/Private – Public

Portfolio – Councillor Markus Campbell Savours,  
Executive Member for Governance and Thriving Communities

Directorate – Resources

Report Author – Clare Liddle, Chief Legal Officer and Monitoring Officer

**Title – Temporary Appointment of Councillors to Parish Councils**

### Brief Summary:

To consider a procedure to appoint temporary Councillors to inquorate town or parish councils in accordance with Section 91 (1) of the Local Government Act 1972.

### Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	06 March 2024

## **1. Recommendations**

- 1.1. That Council delegates to the monitoring officer, the responsibility to make temporary appointments to inquorate parish and town Councils in accordance with the procedure set out in Appendix A and;
- 1.2. Approves the amendment of the Constitution to include the recommended delegation above as a function of the Monitoring Officer at Part 2 – Section 6: Officer Scheme of Delegation.

## **2. Background**

- 2.1. For town and parish Councils to operate, they must be quorate. Normally this is one third of the membership and no less than three members.
- 2.2. Due to resignations, and/or a lack of applications, town or parish councils can become inquorate and as such are unable to operate.
- 2.3. Section 91 of the Local Government Act 1972 provides the power for the principal council to appoint temporary councillors, 'where there are so many vacancies in the office of town/parish councillor that the town/parish council are unable to act'.
- 2.4. This report seeks recommendation from council to enable the monitoring officer to appoint person(s) to any town and parish council on a temporary basis, as per the procedure attached at Appendix A.
- 2.5. This procedure will be responsive and will only be used where the town or parish council approaches Cumberland Council. The council will not seek to impose appointments upon a town or parish council.

## **3. Town and Parish Councils**

- 3.1. Cumberland currently has 123 town and parish councils. Elections to these councils take place every four years, with varying election cycles.
- 3.2. During the four-year period between elections, parish councillors may resign and vacancies are filled through either election or co-option.
- 3.3. Town and Parish councils are not always able to fill vacancies, and many councils operate with one or two vacancies, if however there a large number of vacancies they risk becoming inquorate.

3.4. Section 91 (1) of the Local Government Act 1972 provides that the principal authority, in this case Cumberland Council can make an order to appoint to town or parish councils until such vacancies have been filled by election.

3.5. Due to the considerable number of town and parish Councils there is a high likelihood that some may become inquorate and as such it is recommended that delegation be given to the monitoring officer to make such appointments, to reduce delay to the inquorate Council(s). Without delegation, each decision to make an appointment to an inquorate parish or town council would have to be made by full council.

#### **4. Proposals**

4.1. To provide stability and consistency a procedure is required to enable such appointments, and the proposed procedure is outlined in Appendix A.

4.2. The procedure is non-political and proposes that the ward member(s) for the area in which the parish is located will be offered the temporary appointment of parish councillor until such time as the vacancies are filled by election or co-option.

4.3. Each of the Cumberland Council wards are 'single member' wards, if relevant ward member(s) are unable to be appointed, adjacent ward members will be offered the temporary position.

4.4. If an appointment still cannot be made, the monitoring officer in consultation with group leaders is authorised to nominate any other person.

4.5. All appointments will end once sufficient members are elected to the town or parish council.

4.6. As such appointments are 'temporary' and to ensure quorum, the member would not be required to accept office at the relevant town or parish council.

#### **5. Alternative options considered.**

5.1. That all individual requests for temporary appointments to be made are referred to Full Council. This is not recommended due to the likely delay in making appointments.

5.2. It is not recommended that the council do not adopt a process and/or use the powers under Section 91 of the Local Government Act 1972. This however would hinder democracy as Town and Parish Councils would not be able to operate and achieve quorum.

## **6. Conclusion and reasons for recommendations**

- 6.1. Council is recommended to approve the recommendations as set out in 1.1 and to approve the changes to the constitution outlined in paragraph 1.2.

### **Implications:**

#### **Contribution to the Cumberland Plan Priorities -**

Local First. The Cumberland Council Plan states 'We want to meet local needs and have services shaped by local people. To do this effectively we need to work closely with our communities'. Ensuring town and parish councils can operate provides the communities they serve the facility to influence and shape local services.

**Consultation / Engagement** – There has been no consultation on this report.

**Legal** – Section 91 of the Local Government Act 1972 provides the power for the principal council to appoint temporary councillors.

**Finance** – There are no financial implications resulting from this report.

**Information Governance** – N/A

**Impact Assessments** – N/A

#### **Lead Officer Contact details:**

Name: Lee Jardine

Email: lee.jardine@cumberland.gov.uk

Phone Number: 01900 516768

**Background papers:** N/A

#### **Appendices attached to report:**

- Appendix A – Procedure for making temporary appointments to Town or Parish Councils

**Procedure for making temporary appointments to town or parish councils.**

**Cumberland Council**

This procedure enables Cumberland Council to make an order to appoint persons to town or parish councils in accordance with Section 91 of the Local Government Act 1972.

1. The town or parish clerk advises Cumberland Council that their town or parish council is unable to operate due to being inquorate.
2. The electoral services team verifies that the number of seats on that council and that it is inquorate. The electoral services team will also identify the number of appointments required for the authority to become quorate.
3. The ward member(s) for the area in which the parish is located will be offered the temporary appointment of parish councillor until such time as the vacancies are filled by election or co-option.
4. If relevant ward member(s) are unable to be appointed, adjacent ward members will be offered the temporary position.
5. If no member wishes to be appointed, the monitoring officer in consultation with group leaders is authorised to nominate any other person.
6. All appointments will end once sufficient members are elected to the town or parish council.
7. If a temporary appointment cannot be made, a report will be submitted to Cumberland Council.
8. All appointments must be made by Order under Section 91 (1) of the Local Government Act 1972.
9. In accordance with Section 91 (3) of the Local Government Act 1972, the monitoring officer will forward two copies of the Order to the Secretary of State. A copy will also be sent to the clerk of the town/parish Council.
10. The order will stipulate the names of the appointed person(s) and the latest date their appointment will expire.

This page is intentionally left blank





## Report to Council

Meeting Date – 6 March 2024  
Key Decision – Not applicable  
Public/Private – Public

Portfolio – Cross Cutting  
Directorate – Resources  
Report Author – Monitoring Officer

**Title – Operation of the Provisions relating to call in and urgency**

### Brief Summary:

To report on the operation of call-in and urgency provisions.

### Recommendations:

That the position be noted.

### Tracking

Executive:	
Scrutiny:	
Council:	6 March 2024

## **1. Background**

- 1.1 Rule 14.1 of the Overview and Scrutiny Procedure Rules deals with the procedure in respect of occasions where decisions taken by the Executive are urgent, and where the call-in procedure should not apply. In such instances the relevant Overview and Scrutiny Committee Chair must agree that the decision proposed is reasonable in the circumstances and should be treated as a matter of urgency.
- 1.2 The record of the decision and the Decision Notice need to state that the decision is urgent and not subject to call-in. Decisions, which have been taken under the urgency provisions, must be reported to the next available meeting of the Council together with the reasons for urgency.
- 1.3 Furthermore, Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 prescribes that the intention to hold a meeting in private must be published at least 28 clear days prior to that meeting.
- 1.4 Where the date by which a meeting must be held makes compliance with the regulation impracticable, the Chair of the relevant Overview and Scrutiny Committee may agree that the meeting is urgent and cannot reasonably be deferred.

## **2. Operation of the Provisions Relating to Call in and Urgency**

### **2.1 Call-Ins**

Rule 13 of the Overview and Scrutiny Procedure Rules sets out the procedures in which Overview and Scrutiny can call-in decisions of the Executive, Individual Portfolio Holders and Officers.

Since the 1 April 2023 there has been one call-in by the Place Overview and Scrutiny Committee.

### **2.2 Urgency Rules**

Rule 14.2 of the Overview and Scrutiny Procedure Rules provides that call-in procedures shall not apply where a decision being taken by the Executive is urgent. A decision is urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interest.

In these circumstances, the Chair of the relevant Overview and Scrutiny Committee has to agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.

Since the last report to Council the Chairs of the relevant Overview and Scrutiny Committees have agreed that the decisions of the Executive, Individual Portfolio Holders and Officers as set out in Appendix 1 were urgent and should not be subject to call-in procedures.

### **2.3 Special Urgency**

Paragraph 16 (Special Urgency) of the Access to Information Procedure Rules; and Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and

Access to Information) (England) Regulations 2012 allow for key decision items to be dealt with where there is not 5 clear days before the meeting.

In these circumstances, the Chair of the Executive and the Chair of the relevant Overview and Scrutiny Committee have to agree that the decision proposed cannot reasonably be deferred.

Since the last report to Council, the Chair of the Executive and the Chairs of the relevant Overview and Scrutiny Committee have agreed that the decisions of the Executive, Individual Portfolio Holders and Officers as set out in Appendix 1 were urgent and should not be subject to call-in procedures.

### **3. Conclusion and reasons for recommendations**

- 3.1 That the position be noted in compliance with the requirements of the Cumberland Constitution, Access to Information Procedure Rules, Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

#### **Implications:**

**Contribution to the Cumberland Plan Priorities** - the decisions taken meet the Council Priorities

**Relevant Risks and explain how risks can be mitigated** – none arising from this report

**Consultation / Engagement** – there is no requirement to consult on this report

**Legal** – legal services have advised on all urgent decisions taken

**Finance** – finance have advised on all urgent decisions taken

**Information Governance** – none arising from this report

**Impact Assessments** – none arising from this report

#### **Lead Officer Contact details:**

Name: Rachel Plant

Email: Rachel.plant@cumberland.gov.uk

#### **Background papers:**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- Cumberland Council Constitution [Council constitution | Cumberland Council](#)

- The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

**Appendices attached to report:**

- **Appendix 1** – Urgency Rules and Special Urgency



Decision Maker	Date	Decision
Executive	13 February 2024 Urgency	<p>Item 8. Revenue and Capital Budget Proposals 2024/25</p> <p>If a call-in was received, the call-in procedures would overlap the Cumberland Council meeting on 6 March 2024 when the Council will consider the Executive’s Budget proposals for 2024/25. Members will have the opportunity to debate the Executive’s Budget proposals at the Council meeting on 6 March 2024. Any delay caused by the call-in process would prejudice the Council’s interests in agreeing a Budget for 2024/25.</p>

This page is intentionally left blank



## Cumberland Council Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Leader's Portfolio Holder Report**

Report of: Councillor Mark Fryer

Report Number: Six

---

We've been very much caught up with unfortunate deadlines this Full Council – as I write this with a looming report deadline, we are still a week away from our first Economic Summit – which as I move this report at Full Council happened last week.

Assuming you're still with me following that confusing introduction, I do want to focus on the Summit in this report - without pre-empting the event itself.

We took great care to set out an offer on the day that we hoped would attract a really broad range of organisations from across Cumberland – public, private and third sector. I have seen the early lists of those who have registered and it is looking great – colleagues from health, from education and our colleges and universities, from our business sectors, voluntary organisations. It is my sincere hope that the day pulls everyone together to look at how we deliver a different type of growth, one that serves everyone in every community – leaving no-one behind.

Today is budget council and I have no doubt that there will be lots of discussion about funding – I am pretty sure I'll have plenty to say about the national funding models that are stacked against a place like Cumberland. They simply do not work for us, for any sector. Ask anyone on any street in Cumberland if they can access an NHS dentist, or easily get a GP appointment. What about their bus service?

I wanted to bring the organisations of Cumberland together to start to think about how we can deliver for the people of Cumberland, in a different way to counteract those odds against us. It is going to take genuine collaboration to get there. We have made a start with our Council Plan, our actions setting up our Community Panels, our first Economic Summit is a gesture that says this Council is ready to do what we can to support everyone to help deliver for Cumberland.

This page is intentionally left blank





## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Deputy Leader (Statutory), Governance and Thriving Communities  
Portfolio Holder**

Report of: Councillor Lisa Brown

---

This is the first of my reports in this new portfolio role, and I'd like to thank all the officers who have taken the time out to say hello, to do me introductory briefings, and to show me round some of our facilities.

We are lucky to have Cumberland Care – it is clear to me already how much of a loved brand it is. I have been so impressed with the staff, they do an amazing job caring for some of our most vulnerable people – and off the back of what must have been an incredibly hard time during the pandemic.

I am sure the Moot Lodge consultation is at the forefront of minds, but I want to reassure Council today that any steps we take in the development of Cumberland Care will only be to future proof the service so that we can ensure it is there, providing the care that is needed and that the people of Cumberland deserve, well into the future and beyond any of our tenures on this Council.

This is the budget meeting so I want to discuss the Government's plan to end the Household Support Fund. This fund has been a lifeline to many people in Cumberland in recent years during the cost of living crisis, so any plan to end it is in my view cruel. Of the many things we use the Household Support Fund for, one thing close to my heart is how we use it to ensure that free school meal children continue to get meals during school holidays, and additional provision for school breakfast clubs. I am keen to hear from anyone today with ideas for how we press Government not to end this lifeline funding for our communities.

The Community Panels continue to go from strength to strength, with thriving networks that are expanding. We are going through the co-opted member process which is further demonstration of this Council's commitment to genuine engagement – and I hope you all get involved in securing fantastic local representation on your own panels.

This report although published in advance, will follow our first Economic Summit at which I took part in the panel discussion on putting health and wellbeing at the heart of all we do, facilitated by Tom Lloyd-Goodwin from CLES. For those of you unfamiliar, CLES is a leading UK 'think and

do tank' whose mission very much mirrors our own – to create inclusive local economies that work for people, place and planet. I will be happy to take questions today on the outcomes from the day.



## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Deputy Leader, Statutory Lead for Childrens Services and  
Childrens, Family Wellbeing and Housing Portfolio Holder**

Report of: Councillor Emma Williamson

---

Despite the various challenges encountered over the past year, I am honoured to serve as the lead member for Children and Family Wellbeing and Housing in Cumberland.

While there have been and will continue to be numerous obstacles on a national scale, the decrease in funding to local government has posed a particularly difficult challenge. This decrease directly affects our most vulnerable residents and places significant pressure on the delivery of essential public services, such as social care and education. These services are essential for the welfare and economic development of our communities within Cumberland. Nevertheless, despite these considerable challenges, we are dedicated to driving enhancements and upholding strong performance.

A notable change I have witnessed is a significant cultural transformation within our teams. Many discussions I have had with our officers indicate that they now feel listened to and appreciated, thanks to our new vision that prioritises individuals and public health in all aspects of our work. This shift in values and behaviours is crucial for improving services and maintaining high performance.

Moreover, I am proud of the fact that we are currently leading several key programs that emphasize co-production. This involves actively engaging individuals with lived experiences as experts in service design. By doing so, we ensure that our services are designed and shaped to meet the specific requirements of our communities.

It is essential to recognize the strength of our partnerships, as they play a crucial role in our ability to provide high-quality services. Without these collaborative partnerships, we would not be able to effectively address the needs of our communities.

This allows us to utilise our resources more effectively and promote transformation that aligns with the needs and demands of our communities, particularly those who are most in need of our services. In this manner, we are not only tackling national challenges but responding to local need – and crucially we are doing it in partnership with our communities.

This page is intentionally left blank



## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Lifelong Learning and Development Portfolio Holder**

Report of: Councillor Elaine Lynch

---

To follow the finance theme this meeting, I wanted to report on a recent decision I took to deliver on the expansion of childcare and the wraparound programme.

This follows the Government's spring budget announcement in 2023 of up to £289m of start-up funding, over two academic years, to support local authorities and providers to expand wraparound care for children. This care will be for children from reception age to year 6, with free provision from 8am to 6pm unless local demand is for different hours.

This sounds great, and no doubt parents will be eagerly awaiting this provision popping up - but the biggest risk to delivery is the availability of staff to deliver this care. We already know that the recruitment and retention of early years practitioners and school support staff is challenging, and this is an additional call on their time and our hard-pressed schools.

The announcement of this scheme was at the same time as the announcement of the expanded early years nursery provision – with a staggered roll out, this will ultimately provide 30 hours per week of free childcare for working parents for children under 5.

Again this sounds great, but those childcare spaces rely on the staff being available to provide that care, and on nurseries being available, and where parents need them. The promise of all this free childcare to support parents to return to work is fantastic in theory, but it just isn't backed up by the solid finances needed to deliver on it.

I was astonished to discover that the funding provided per hour to nurseries to provide this care is not the same area to area, it is based on yet another formula that gives nurseries in Cumberland less than nurseries elsewhere in the country. Why is the provision of nursery care in Cumberland believed to be cheaper than that in Nottingham or Buckinghamshire or Southampton. We are overall the sixth lowest funded in the whole country.

Even when you disregard the different rates of funding, the money paid by Government to 'fund' free childcare does not cover the costs incurred by nurseries. As it is many nurseries use the hours that parents pay for outside of the free entitlement to subsidise their actual costs, and many nurseries have to charge additional top-ups to cover costs for anything from meals to nappies.

When this scheme is rolled out in full, unless the Government significantly increases the funding provided to cover the free entitlement – already struggling nurseries are going to be closing up and down the country, unable to cover their own costs to provide the care needed. Without vital nurseries, how many of our staff will have to leave work to stay at home.

The early years sector is vital for our future – the care and support we provide to any individual between birth and the age of five is crucial for lifelong outcomes. I don't believe you can make a better investment – we have to pay them fairly for the work that they do, we must invest in this workforce and these businesses.



## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Adult and Community Health Portfolio Holder**

Report of: Councillor Markus Campbell-Savours

---

You'll have to forgive the brevity of this report, this portfolio is new to me and I am in the early stages of introductory briefings.

But I do want to update on the progress of the community engagement framework, because this is central to how we want to operate as a council – from the very outset we said we wanted to work differently, and this is one of the ways in which we will deliver on that promise.

Once complete this framework will offer us a menu of options we can select from and use, to take a variety of decisions, right across the council and Cumberland in the future. Sticking to our promise of taking decisions closer to the local people and communities that they affect.

It will shortly be going through the scrutiny process and I look forward to our internal engagement and discussion process, to make this document a genuine opportunity to capitalise on the opportunities open to us as a new unitary council.

I also want to reach out to Council because we're nearly a year in now post-vesting, and our AGM will be coming up in May. That means new appointments to committees and outside bodies and a new diary – so an opportunity to review how far we've come, and what is working and not working for you all. I will be asking officers to put in some sessions to facilitate these discussions – but don't hesitate to reach out with feedback.

Finally, Audit Committee met on 22<sup>nd</sup> February when the agenda included consideration of the external auditor Grant Thornton's Value For Money Report relating to Copeland Borough Council's 2018/19 and 2019/20 accounts. The item was deferred to the next meeting when Grant Thornton have advised they will also be able to submit the Value For Money Report for subsequent years up to LGR. This will enable a full consideration by Audit Committee. The reports relate to the former Copeland Borough Council but will contain a number of recommendations for Cumberland Council to satisfy the external auditor's concerns going forward. Cumberland Council has already put in place those procedures which may not have been in place in the legacy authority and will provide full management responses when the reports are considered at the March Audit Committee.

I'd like to thank staff and the audit committee for their work on what is a bumper backlog of audits for our predecessor authorities.





## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Sustainable, Resilient and Connected Places Portfolio Holder**

Report of: Councillor Denise Rollo

---

Our first Economic Summit will have taken place by the time Council meets and this report is presented – but a key aim of that day is to identify a way forward to provide economic opportunity for our young people, putting this at the front and centre of all we do. They are Cumberland's future and we want to provide opportunities that will make them want to live and work here.

Part of this Council's commitment to deliver on that is how we will manage our apprenticeship programme, and I am delighted to say that one of our first steps is to promote apprentice places to our young people with care experience. As an Executive we will work together to ensure our responsibilities as corporate parents span the breadth of this Council, and don't stop at 18.

Our enforcement team continue to do sterling work, with two recent successful prosecutions for fly tipping. We have also given the go ahead for some rights of way projects in Whitehaven.

We are also in the process of putting out to tender the routes for phase one of the Bus Service Improvement Plan (BSIP) Plus funding, following consultation with the public on their priorities, and we hope these routes will be in operation for late April/May.

I should point out that this is subject to companies tendering to run those routes however and I will reiterate a point made many times – that short term funding allocations are no way to run public services. We do welcome the award of BSIP Plus funding, but we must also acknowledge that the Government awarded nothing to Cumbria under the first phase of the BSIP Bus Back Better funding allocations. The people of Cumberland need public transport they can rely on, not a bus route that springs up and runs for 6 to 12 months until the subsidy dries up.

For future work on developing bus services across Cumbria the new Enhanced Partnership Forum has had its inaugural meeting, and our agreed first outcome as Cumberland will be to give additional support to existing community bus groups.

The consultation is live for the future of Cumberland waste services – I hope you've all input and are sharing widely with your constituents.

This page is intentionally left blank



## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Financial Planning and Assets Portfolio Holder**

Report of: Councillor Barbara Cannon

---

You will find this report today very brief, in terms of a finance update I'd ask you to look to the budget item on the agenda today.

I will instead use this opportunity to comment on the nature of the decisions we are having to take today, and the overall unprecedented financial climate facing Local Government.

This may be a new council, but for our communities this is the fourteenth year of austerity driven cuts to our budgets. Even with the new money announced, once you take ever increasing demand and inflation into account, it will barely touch the sides.

Time and again the national funding models simply do not work for a rural and sparsely populated place like Cumberland; they are too often based on growth and not need, and leave us disproportionately worse off.

Look at the public health grant for example, in Cumberland currently just over £44 per person, but in Kensington and Chelsea it is just over £146 per person. What is it about people living in Kensington and Chelsea that means their public health needs are over three times greater than ours.

I keep hearing that our pothole funding is the highest ever – and that is true. But the truth behind that fact is that prior to this Government's disastrous austerity spree local authorities didn't need ringfenced pothole funding – because we had budgets for a programme of road resurfacing. Now we spend millions on pothole repairs which are the very definition of sticking plasters for our roads.

Local Government has been brought to its knees and I only hope we have some salvation around the corner.

This page is intentionally left blank



## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Digital Connectivity and Customer Focus Portfolio Holder**

Report of: Councillor Chris Southward

---

This report is being kept deliberately brief as Council time is always short and I am not convinced that this is the best way to update members – we have a weekly update email which would be more timely if Council would prefer? Happy to take feedback.

I would also encourage any member with a genuine inquiry in the areas of this portfolio to follow the line that several members have already done by asking me directly by e-mail; I shall acknowledge any such questions inside 24 hours and hope to respond as fully as possible very quickly.

However, worthy of note:

Many businesses across Cumbria are now utilising the power of improved connectivity to increase sales, work more efficiently and showcase what they have to offer on a worldwide platform.

More than 94% of homes and businesses across the county can now access superfast broadband speeds of above 30Mbps with 42% now able to access gigabit speeds. Over 80% of those properties have chosen to upgrade but there are still thousands of Cumbrians who may not realise that they are able to order faster broadband services.

There are also opportunities to use greater mobile connectivity around the county with current outdoor 4G geographic coverage levels standing at over 90% from at least one mobile provider and 64% from all 4 major UK network providers. Mobile connectivity has been used by many Cumbrian businesses to provide their services flexibly and some businesses use 4G as their main digital connectivity route.

The Human Resources and Organisational Development (HROD) team has begun detailed work with all services with the aim of reducing sickness levels. One of the considerations is targeted on-site support such as physio - this has been discussed since early on in the shadow year so let's hope we see some progress soon.

A weekly meeting between HR advisors, senior advisors, and HROD management, reviews absences and is aiming to develop an approach to resolve long term absences. A further priority is the development of a Cumberland Council absence management policy, hopefully moving the

authority away from multiple inherited absence management procedures. Factors such as the way people are managed in a discipline carrying a high vacancy rate, can also have an impact. We are therefore, working with colleagues to collectively implement improvement strategies.

The transition from paper payslips/P60s to digital formats is underway for former Cumbria County Council staff and new Cumberland Council employees. This shift is being implemented in two phases:

Phase 1 focuses on employees with access to work laptops. Starting around February/March, these individuals will exclusively receive digital payslips through the MyHR platform. This phase emphasises the benefits of digital access and provides necessary guidance for a smooth transition.

Phase 2 extends digital payslip access to all staff with work smartphones. This broader accessibility aims to empower employees to manage their pay documents conveniently, aligning with our commitment to leveraging technology for improved employee experiences.



## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Cumberland Policy and Regulatory Services Portfolio Holder**

Report of: Councillor Bob Kelly

---

Our trading standards team is relatively speaking a tiny service – but in terms of performance they work tirelessly across their areas of responsibility and I am constantly amazed at their output.

A recent joint operation with the police across Brampton and Carlisle targeted 11 vape shops, testing their compliance with legislation restrictions on sales of nicotine vaping products to minors, which is a criminal offence. I am delighted to report that all shops challenged the underaged volunteers before refusing the sale.

I am sure this is testament to the years of diligent enforcement effort by the team and I hope previous successful prosecutions act as a deterrent.

I am also delighted to report that Cumberland's first Climate and Nature Strategy is progressing well. With a strapline 'for people, for nature, for climate' – this really is a strategy I want full engagement with right across council and I urge you all to take every opportunity to feedback, and to encourage your communities to feedback, through the consultation opportunities that will be coming up through this year.

If Health and Wellbeing is truly to be at the heart of all we do, then our efforts to combat climate change and support nature recovery must also be an intrinsic part of that.

And given the gift of our geography across Cumberland – with a national park, farmland, the coast, rural villages and a city all so closely aligned – we have the opportunity to develop workable strategies that can be successful anywhere.

This is a challenge for us all – beyond the council, across every sector, and supportive actions need to be embedded in every decision that we make.

The green industrial revolution can bring thousands of jobs to Cumbria: in everything from renewable energy creation to the retrofitting of old homes. And the economics are clear – investment now will deliver a return that is ongoing into the future, protecting our energy generation from worldwide political turbulence at the same time as reducing heating bills and fuel poverty.

Is it too much to say we can save the world and create a fairer society at the same time – are we ready for that level of socialist ideal?





## Report to Council

Meeting Date: 6 March 2024

Public/Private\*: Public

Title: **Vibrant and Healthy Places Portfolio Holder**

Report of: Councillor Anne Quilter

---

Health and wellbeing runs right through the heart of this council – so I wanted first to reiterate that as Portfolio Holder for Vibrant and Healthy Places, I am fully committed to continuing to provide services which in my view directly address that priority. This is despite many of those services being non-statutory, and in the face of significant growth pressures in many of our statutory services alongside the more general austerity budget pressures, aka cuts!

I am talking about our leisure facilities, our libraries, our parks and heritage sites, our community events and our museums. I don't want to see any closures here, nor any reduction in opening hours or staffing levels.

To this end our officers are applying left right and centre for government funding pots to prop up our existing funding. These pots are generally ring fenced to particular service areas, and which in practice replace some of the historic funding that would have just gone straight to councils – for us to deliver services to the communities we know and understand the best. This is not new money, it is top sliced from original budgets and puts individual councils in bidding wars against each other.

With ever shrinking budgets we do of course have to review the way these services are delivered across Cumberland, and we are in the process of working our way through this. We are using evidence of need to support decision making and we are investigating innovative ways to provide services whilst reducing costs.

The response to our budget consultation showed public support for our commitment to continue to deliver services that improve health and wellbeing for all our residents across Cumberland – so let us all start to engage in this, you know where I am, get in touch and tell me about what really works in your area and what would make it better. I don't have a magic money tree, but I do have determination – let's see what we can do.

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank