

BUDGET SUMMARY POSITION

	£	
2022-23 updated Baseline Budget	278,459,346	
Recurring growth	41,328,951	a
Non-Recurring growth	7,059,461	b
Growth and Pressure	48,388,412	
Recurring Transition and Transformation	10,000,000	c
Non-Recurring Transition and Transformation	30,000,000	d
Non-recurring exceptional financial support	(40,000,000)	
Recurring cost of capitalisation directive financing	1,164,000	
Transition and Transformation	1,164,000	
Recurring savings	(15,326,940)	e
Non-Recurring savings	(9,406,431)	f
Savings and Efficiencies	(24,733,371)	
2023-24 Net Revenue Budget	303,278,387	
Less: Planned use of earmarked balances / general fund	(11,722,868)	
Net Revenue Budget Requirement	291,555,519	
Financed By: General Grants, Council Tax, Business Rates	291,555,519	
Budget Gap – surplus / (deficit)	0	

Recurring Growth (a)

		2023/24
Entity	Description	Growth £
Cumberland	<p>Increase in contingency, inflation and pay award included in sovereign 2022/23 MTFP's, inline with latest estimates. Inflation has significantly increased since the estimated were included in the sovereign 2022/23 MTFP's were produced. Consists of:</p> <ul style="list-style-type: none"> - An allowance of circa £7.5m has been made for Assumed Pay Award of 5%. 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. - An allowance of circa £17.5m has been made for 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. Although the allowance differs depending on the service and/or contractual arrangements, as a guide, a 10% allowance is included in most cases. Pending these uplifts being finalised, this will be held as a corporate contingency until agreement is reached. 	25,038,624
Combined position	Capital Financing (MRP and Interest) in relation to the borrowing used to finance the Capital Programme. This is largely a result of legacy/sovereign decisions and arrangements, rather than new schemes being approved by Cumberland Council.	2,725,000
Carlisle	Savings target included as part of Carlisle City Council sovereign budget, which have as yet not been achieved	1,200,000
Cumberland	Remove CCH dividend income budget. The base budget includes an income budget, based on a disaggregated share of income that was previously expected to be received to the County Council as a dividend from Cumbria County Holdings (CCH). This dividend has not actually been received for a number of years and the capacity for CCH to pay this in the future years will be reviewed post-vesting day as part of future budget setting	273,309
County	Inclusive Learning – Direct Payments. Quarter 2 2022/23 County Council recurring budget pressure identified from in year budget monitoring. Direct payments relate to payments to children and families where a child has an Education and Health Care Plan (EHCP). The plan will identify needs the child has and we have a statutory responsibility to make direct payments available to children and their families, so they can arrange their own care rather than the Council arranging it for them e.g. overnight respite stays or a personal assistant to help with certain tasks. There has been an increase in demand for direct payments, linked to the increasing number of children with an EHCP. The Q2 monitoring shows that the number of payments has increased from 301 in Sept 21 to 376 in Sept 22, a 25% increase.	486,900

Recurring Growth (a)

		2023/24
Entity	Description	Growth £
County	<p>Children Looked After Placement costs and Children and Families staffing pressures. Quarter 2 2022/23 County Council recurring budget pressure identified from in year budget monitoring. The growth pressure identified by the County Councils was £6.9m, Cumberland are proposing to increase the budget by £5.0m (£1.9m less than the pressure identified by the County Council). Cumberland will review this position during 2023/24 and seek budget mitigations to reduce the recurring budget pressure in-line with this £5m. The reason for the pressure is:</p> <ul style="list-style-type: none"> - a small number of new exceptional bespoke packages of care required for CLAs with very complex needs. Across the County at Q2 there were 4 such packages forecast to cost circa £3.3m (10% of the total CLA placement budget) - an increase in the number of high cost placements: excluding the bespoke packages, at Q2 across the County there were 13 placements with a cost of £7k or more per week. This compares to just 1 at March 2021. The forecast cost for these is circa £5.2m (16% of the CLA placement cost budget) - a high number of external residential placements: at Q2 there were 98 external residential placements with a forecast cost of circa £24.5m. Whilst these placements represent only 13% of the total number of CLAs, the forecast cost equates to 73% of the CLA placement cost budget. Sufficiency of placements and the ability to place CLAs in the preferred setting has become very challenging and is a national issue - Children and Families staffing pressures as a result of recruitment issues leading to Externally Provided Worker (EPW) social worker contracts being extended. 	5,000,000
County	SEND Transport Quarter 2 2022/23 County Council recurring budget pressured identified from in year budget monitoring. the County Council increased the budget by £1.1m in 22/23, but this has not been sufficient to cover the emerging budget pressure. The forecast overspend continues due to ongoing increased demand and new routes following the commencement of the new academic year in September 2022.	1,428,000
County	Non-delivery of Savings included in 22/23 budget - Ernst Young Automation work (£25k county wide) - Automation work is not progressing due to the uncertainties LGR has caused around the systems and processes which will be in place in the new organisations which will need automation combined with a small growth required for Enterprise saving underachievement (£10k County wide)	19,250
County	Non-delivery of Savings included in 22/23 budget - Digital Transformation and agile working (£175k county wide). This saving has been identified as undeliverable due to the impact of the LGR programme on transformation opportunities available and staff capacity to deliver.	95,150
County	Non-delivery of Savings - removed from 22/23 as one-off but would have been part of County 23/24 baseline budget - enabling service saving programme not being progressed due to the impact of the LGR programme on transformation opportunities available and staff capacity to deliver	825,000

Recurring Growth (a)

		2023/24
Entity	Description	Growth £
County	Non-delivery of Savings - removed from 22/23 as one-off but would have been part of County 23/24 baseline budget - Ernst Young automation work saving programme not being progressed due to the impact of the LGR programme on transformation opportunities available and staff capacity to deliver	96,250
County	Non-delivery of Savings - removed from 22/23 as one-off but would have been part of County 23/24 baseline budget - Digital Transformation and agile working saving programme not being progressed due to the impact of the LGR programme on transformation opportunities available and staff capacity to deliver	247,500
County	Non-delivery of Savings - removed from 22/23 as one-off but would have been part of County 23/24 baseline budget - Customer Service transformation saving programme not being progressed due to the impact of the LGR programme on transformation opportunities available and staff capacity to deliver	150,150
County	22/23 inflation uplift made permanent County Council recurring budget pressured identified from in year budget monitoring. This permanent inflation was financed on a one-off basis through the use of reserves in 2022/23. There is no balance remaining in that reserve meaning a permanent base budget is now required from 2023/24	2,740,000
All Districts	LCTS Admin Support Grant - rolled in to settlement so needs removed from net budget	347,087
Cumberland	new legislation around Persistent Organic Pollutants - will continue to lobby government for additional new burdens funding, but this has not yet been successful	173,250
Cumberland	Senior Structure (Directors and Assistant Directors)- assumes all staff to be employed at the lowest scale point at year 1 and move to the highest scale point over a number of years. Allows for a 1% vacancy management adjustment across the new structure	483,481
		41,328,951

Non-Recurring Growth (b)

		2023/24
Entity	Description	Growth £
Carlisle	City Centre Properties Income Shortfall - B&M site, university to redevelop this site and will result in reduced rental income. Originally in MTFP as reduced income but has been accelerated	205,000
Carlisle	Economic Development Project Management Office to support FHSF and Town Deal, Borderlands projects	83,000
Carlisle	Car Parking Income - £125K due to free parking offer and remaining declining usage	200,000
Carlisle	Contribution to Carlisle Local Focus Hub	55,000
Carlisle	Lanes Income Shortfalls	450,000
Carlisle	GLL Management Fee - delay in opening of Sand Centre has increased fee payable to GLL payable on a temporary basis until site fully operational in 24/25	456,000
Carlisle	Contribution to Carlisle Ambassadors Programme	55,000
Carlisle	Longtown Place Plan (BTIP) - project development work required to support borderlands	100,000
Carlisle	Shortfall in Hostels income - Historic underachievement in income target.	100,000
Cumberland	New Burdens / Growth funded by ASC Market Sustainability & Improvement Fund (includes fair cost of care continuation from 22/23 and new funding previously badged as capacity and discharge	3,306,263
Cumberland	New Burdens / Growth funded by ASC Discharge Fund (required to be pooled as part of BCF)	2,049,198
		7,059,461

Recurring LGR (c)

		2023/24
Entity	Description	Saving £
Cumberland	ICT Costs (licencing and staffing)	2,000,000
Cumberland	ICT Costs (staffing)	1,000,000
Cumberland	Legacy operating model – additional staffing - People	3,000,000
Cumberland	Legacy operating model – additional staffing - Corproate and Enabling	2,000,000
Cumberland	Legacy operating model – additional staffing - Other	1,000,000
Cumberland	Legacy operating model – non staffing (e.g. subscriptions etc)	1,000,000
		10,000,000

Recurring LGR (d)

		2023/24
Entity	Description	Saving £
Cumberland	ICT enterprise architecture/infrastructure - replacement of duplicate systems with bespoke single solutions (ERP)	10,000,000
Cumberland	ICT enterprise architecture/infrastructure - replacement of duplicate systems with bespoke single solutions (CRM)	5,000,000
Cumberland	ICT enterprise architecture/infrastructure - replacement of duplicate systems with bespoke single solutions (MDM)	5,000,000
Cumberland	Workforce planning – pay and grading review and redundancy and pension allowances costs	8,000,000
Cumberland	Service contract termination costs and transactional fees	2,000,000
		30,000,000

Recurring Savings (e)

		2023/24
Entity	Description	Saving £
Carlisle	Leisure Contract Savings - Based on original BTA from tender (will change and new pressure added)	(505,000)
Carlisle	Developer Contributions	(60,000)
Carlisle	Gateway 44 Income - Adjusted for final occupancy dates and rent free periods	(88,000)
Cumberland	Update BCF allocation based on Latest Government estimates - Update BCF allocation based on Latest Government estimates (this is the 22/23 baseline grant allocation changing between Cumberland and W&F) – changes the net income from £17.002m to £17.728m	(725,630)
Carlisle	National Insurance	(81,000)
County	remove Elections contribution to EMR - it is anticipated that sufficient baseline budget will be available from combined district budgets to meet Cumberland requirements	(95,315)
County	remove PFI contribution to EMR - revenue budget is set aside in the early years of PFI contract(s) to ensure the increased PFI cost over the life of the contract can be 'smoothed' out, so there is no baseline budget growth required in later years of these arrangements. These 'smoothing out' contributions will reduce during 2023/24	(411,318)
County	Increase if social care related service fees and charges, as a result of the projected inflationary increased in 2023/24 (increases in fees and charges will reflect an inflationary increase in the cost of providing these services)	(2,170,000)
County	Increase in CC&CS County Directorate fees and charges income, as a result of the projected inflationary increased in 2023/24. This mainly relates to library and registration services	(112,000)
County	Increase in E&I Directorate County fees and charges income, as a result of the projected inflationary increased in 2023/24. This mainly relates to some highways related chargeable services	(265,000)
Cumberland	Reduction in member allowance cost, due to reduction in the number of members when compared to the sovereign Councils	(507,736)
Copeland	Copeland fees and charges 10% increase (excluding parking)	(180,161)
Carlisle	Carlisle fees and charges increase 10% increase (excluding parking)	(287,470)
Allerdale	Allerdale fees and charges 10% increase (excluding parking)	(249,310)
County	Continued reduction in demand for English National Concessionary Travel (ENCTS)	(500,000)
County	Additional vacancy management, initially to be held centrally. This is to recognise the actual outturn underspend position across sovereign Council budgets in prior years and to ensure the Cumberland budget does not include an overly prudent salary budget given the level of vacancies across the sovereign Council services	(1,000,000)
Cumberland	Discount for early payment of suppliers through Oxygen - Current baseline budget net position for Cumberland (after taking account of the discount and the amount payable to Oxygen as their share of the discount) is £0.467m. It is anticipated that this will increase through new terms and on-boarding of district suppliers not currently part of the County arrangement, as well as the County Council continuing to see improved returns from this service throughout 22/23	(89,000)

Recurring Savings (e)

		2023/24
Entity	Description	Saving £
Cumberland	reduction in LGPS employers pension rate following tri-annual review. Will come into effect from 1st April 2023, final impact is uncertain but initial indication is that this will be a saving to Cumberland - final figures to be agreed- initially to be held corporately and will be allocated to service budgets during 23/24	(1,000,000)
Cumberland	Adults Wellbeing and Housing Directorate to reflect transformation of processes and capacity building to improve outcomes for people	(1,500,000)
Cumberland	Children's and Family Wellbeing Directorate to reflect transformation of processes and capacity building to improve outcomes for people	(1,500,000)
Cumberland	Business Transformation and Change Directorate cross-cutting savings. New opportunities to realise efficiency and other savings will arise as the services in the new Council come together. Planning for these new service areas give the opportunity to consolidate, transform and create economies of scale.	(4,000,000)

	(15,326,940)
--	---------------------

Non-Recurring Saving (f)

		2023/24
Entity	Description	Saving £
Cumberland	Treasury Management - additional income from investment and continuation of internal borrowing	(2,500,000)
County	Capital community equipment, will need to be financed through capital programme	(1,550,970)
Cumberland	New Burdens / Growth funded by ASC Market Sustainability & Improvement Fund (includes fair cost of care continuation from 22/23 and new funding previously badged as capacity and discharge)	(3,306,263)
Cumberland	New Burdens / Growth funded by ASC Discharge Fund (required to be pooled as part of BCF)	(2,049,198)
		(9,406,431)