

Shadow Unitary Authority Overview and Scrutiny Committee

Report by Michael Hanley

Present

Councillors:

Chair: Beverley Morgan (LP) Jonathan Brook (Leader, LDP), Michael Hanley (LP), Hazel Hodgson (LDP), Janet Battye (LDP), Dan Hudson (officer), Andrew Jarvis (LDP), Will Clark (LDP), Niyall Phillips (CP), Phil Dew (CP), Shirley Evans (LDP), Vicky Hughes (LDP), Andy Coles (LP) Graham Simpkins (LDP). Other members: I am not sure if they were present: H Ladgams, Bill McEwan, D Taylor, Helen Chaffey.

Officers: Kathryn Griffiths, Helen Smith, Dan Hudson. There may have been other officers present.

1. Discussed previous meeting of 16.6.22

2. Preparation of WAFC plan:

Michael Hanley (MH): Asked for Alston Moor to be highlighted as a very isolated community.

Janet Battye(JB): Wanted to know what the actual plan was as to how things will change.

Jonathan Brook (JB): This is an outline of the plan, not the plan itself. We are looking at having a dispersed system of government. We will be looking to see how we can further develop services. We are not looking to clear the decks of all the awkward things we have inherited (? Devolvement of Assets to parish councils). Parish Councils vary in their abilities. What will suit one will not suit another. We are at an early stage of identifying and disaggregating budgets. There will be significant challenges.

Dan Hudson (Officer, Strategic Lead for Strategy, DH): I hope to be able to come back to the O&SC with a draft plan in September. It is about strategic priorities. It can't be prescriptive. The plan should be refreshed early on after investiture day.

Andrew Jarvis (AJ): We have to identify the strategic priorities. We will have to review the plan early in the life of the council.

MH: Talked about the isolation of Alston Moor, the threat to the ambulance service and the need to support the Bonds Factory, being the main employer in the town.

Hazel Hodgson (HH): There are good economic partnerships in Sedburgh and Kirkby Lonsdale which will need our support. They are out on the perimeter of the council area. I have great worries about the economics of the farming industry, though this year has been a fantastic one. We are to get only 20% of the support we had, in the next five years. I would like to see a levelling up of transport. People cannot access cheap transport. I would like to see that somewhere in the plan. We will see a lot of food production disappear. We need to look after our residents. If this drought continues in Europe, we could be in a terrible position.

JB: There is a recognition of the importance of the agricultural sector. I met business leaders last week. There are some good ideas out there. Sustainable rural transport is another important area. We have an opportunity to look at these areas afresh. These problems will need innovative ideas. How do we make rural transport sustainable?

Phil Dew (PD): Nothing was said about the council plan at the recent cabinet meeting. Who is drawing up this plan? Who are the key stake-holders?

JB: The council plan is very much at the forefront of the cabinet's mind.

DH: I am advising the cabinet on the plan. We will discuss it in October.

PD: You will be meeting on 12.9.22, why wait until October?

DH: There needs to be conversations with various stakeholders and town/parish councils. We hope to have a draft by September.

Will Clark (WC): How does this plan fit in with the National Park Plan. There is a lot of worry on the ground that disaggregation will split the National Park.

JB: We will continue to liaise closely with the National Park (NP). We will have to work out how many members of WAFC will sit on the National Park Board. We will continue to challenge the NP on affordable homes for young people.

WC: We need to maintain the same number of members.

Niyall Phillips (NP): What is the urgency for the plan? We might not be able to deliver the commitments. We need to be careful about rushing into a council plan. Local government reform needs to be considered. This plan does not give much time for member involvement.

JB: I do recognise those concerns and we share them. We have not been given any money by the government to do this process. We are doing this at the same time as Somerset. We have a more complicated job here because we are disaggregating the county council at the same time. With regard to LGR, we are looking to redesign our services. The transformation process will happen after the 1st of April.

AJ: By February we will have to have agreed our budgets.

Shirley Evans (SE): The plan will have to be flexible. Please put young people at the heart of what you are doing. The mental health position of our young people is very difficult. We need to encourage our young people to want to stay in this area.

A councillor (didn't get the name) asked about limiting second homes.

JB: Yes, we have looked into this.

3. Local Government Reform Implementation Plan

Kathryn Griffiths (KG, finance officer): Discussed implementation. The budget for this is £18.9 million. £1.57 million from each district council and £9.4 million from the county council. There are decisions about staff, new council headquarters and accommodation in the first year. Also the operating model and officer structures.

PD: I can't understand the process. The difficult work in costings has not been done.

KG: The groups (Day One Boards) are meeting weekly. Recommendations will come back to cabinet in September. We have looked at the budgets of all the councils so we now have an idea of the resource envelope.

JB: The cabinet was concerned about local member involvement. We have initiated a member information board.

J. Battye: When are we going to see an organisational structure?

JB: We have an operational structure but no operating organisational structure at this moment in time.

J. Battye: Will we be able to help form this model?

JB: Yes.

NP: What KPIs (key performance indicator) are we tracking?

KG: We are producing progress reports every few weeks. We have 60 delivery plans: basic KPIs around quality and completion. The programme director is from KPMG (Accountants). The previous programme director left. We need specialist expertise around accommodation. That gives a flavour of the type of work they are doing.

4. Strategic Financial Planning

AJ: The process of building the financial basis of the new authority is very complicated. The funding can come from existing budgets. We need to bring together the three district council's finances. The process for county resources is very complicated. There are three streams of work. First is splitting the funding of the county council (CC). Where does the CC money come from? Second, splitting existing budgets, that is a huge piece of work, involving thousands of budgets. How do we allocate the road gritting budget etc? Budgets reflect hundreds of decisions of the

past few years. The third workstream is splitting the assets of the area. We will be a tariff authority, giving some of our money to central government and Cumberland will be a top up authority, receiving money from central government. We will be more dependant on council tax than Cumberland will be. There are about 1800 fees and charges, they are different from one district council (DC) to another. Different services are provided in different areas, some areas charge, others don't. We need to harmonise council tax across the area but this will take a few years. The difference between the three DCs is small. Barrow's council tax is higher than the other two.

Vicky Hughes (VH): Why are we relying more on council tax and why are we paying back to government?

AJ: There is a formula for this, where business rates are paid to the central government. It is based on need and high levels of deprivation and health statistics. Cumberland gets a larger amount of the grant. With the council tax, we have more higher band properties. Fairer funding has been talked about for years. Its a historic funding structure. Rural councils everywhere are disadvantaged. City councils receive on average £100 more per person and council tax in rural areas is on average £100 more than urban areas.

Helen Smith (HS, Interim Chief Finance Officer): We will have some numbers for the next O&SC in September.

AJ: We would have had a 2% rise in council tax but we are now in a 10% rise world. We don't know if central government will compensate this. Each 1% salary increase is between £1 and £2 million for us.

SE: What impact will the decision on the Fire Service have?

HS: Discussions will continue on funding of Public Health.

AJ: The funding of the Fire Service does not fundamentally change things.

HS: The Fire Service will transfer to the Police. It makes life easier.

PD: Will the MTFP (medium term financial plan) be here for five years? He also asked about the financial gap.

AJ: With transformation we are agreeing to the separation of services. The budget gap will get a lot worse with the rise in inflation. In terms of the split between WAF and Cumberland and the gap in the county budget, I don't think it will be weighted to one or the other. We have a smaller gap as district councils than county did. On the district side, we had a smaller gap than Cumberland. The MTFP is for five years.

HH: Is there a possibility of looking at the council tax rate?

AJ: Business rates are set by the government. Over seven years we need to harmonise the rates. We will harmonise services over that period. The differences are not huge. There is a threshold of 2%, over which there has to be a referendum. I think they will have to increase the cap in the next year. In Green Waste Collection there is a difference, free in South Lakes, partial payment in Eden and community service in Barrow. We would like to have universal green waste collection for everyone.

5. Scrutiny Overview Report

Andy Coles: Proposed a Task and Finish Group on Locality. This was passed.

BM: Localities are very important to us.

Next Meeting: 21.9.22 at Kendal Town Hall.