

Date: 4 July 2018



District Council

Town Hall, Penrith, Cumbria CA11 7QF

Tel: 01768 817817

Email: cttee.admin@eden.gov.uk

Dear Sir/Madam

Council Agenda - 12 July 2018

Notice is hereby given and you are hereby summoned to attend a meeting of the Council to be held at 6.45 pm on Thursday, 12 July 2018 at the Council Chamber, Town Hall, Penrith.

1 Apologies for Absence

2 Declarations of Interest

To receive declarations of the existence and nature of any private interests, both disclosable pecuniary and any other registrable interests, in any matter to be considered or being considered.

3 Minutes

RECOMMENDATION that the public minutes CI/1/05/18 to CI/20/05 /18 and of the meeting of Council held on 10 May 2018 be confirmed and signed by the Chairman as a correct record of those proceedings (copies previously circulated).

4 Chairman's Announcements

5 Questions by the Public

To receive questions from the public under Rule 10 of the Constitution

6 Questions by Members

To receive questions from Members under Rule 12 of the Constitution

7 Motions on Notice (Pages 5 - 6)

To consider motions on notice under Rule 13 of the Constitution

8 Community Governance Review for Eden District - Final recommendations - Resources Portfolio Holder (Pages 7 - 16)

To consider report G72/18 from the Deputy Chief Executive which is attached and

which seeks to enable consideration be given to the recommendations of the Community Governance Working Group following the conclusion of the second stage of consultation.

RECOMMENDATIONS:

1. It is recommended that approval be given to the following changes to the governance arrangements of certain parishes within Eden District as follows:
 - a) Barton Parish Council be re-named 'Barton and Pooley Bridge Parish Council';
 - b) the administrative area of Hutton Parish Council be increased to include the Motherby Parish Ward of Greystoke Parish Council with the expanded Hutton Parish Council to remain wholly unwarded;
 - c) the number of Parish Councillors for Hutton Parish Council be increased from eight to nine;
 - d) the number of Parish Councillors for Greystoke Parish Council be reduced from nine to eight with the arrangements for the remaining Parish Wards of Greystoke, Johnby and Blencowe staying unchanged;
 - e) the current Ousby Parish Council be dissolved;
 - f) a new unwarded Parish Council be created using the current boundary of Ousby (Ousby) Ward, called 'Ousby Parish Council', with the number of parish councillors being five;
 - g) a new unwarded Parish Council be created using the boundary of Ousby (Melmerby) Ward, called 'Melmerby Parish Council', with the number of parish councillors being five;
 - h) Thrimby Parish Meeting be merged with Little Strickland Parish Meeting; and
 - i) the number of councillors for Penrith Town Council be reduced from nineteen to fifteen.
2. The Deputy Chief Executive be authorised to make all necessary orders to effect the above changes.

9 Capital Expenditure 2017-2018 Outturn and Revised 2018-2019 Programme - Resources Portfolio Holder *(Pages 17 - 24)*

To consider report F48/18 from the Director of Finance which is attached and which seeks to advise Members of capital expenditure for the financial year 2017-2018, together with the means by which it was funded, and present an amended Capital Programme for 2018-2019, to take account of a revision of projected resources and other factors affecting the Council's Capital Programme and the impact of the 2017-

2018 outturn, subject to audit.

RECOMMENDATIONS that:

1. The outturn for 2017-2018, subject to audit, as set out in Appendix A, be noted.
2. The amended Programme for 2018-2019, as set out in Appendix B, be agreed.
3. No new schemes are included in the Programme, unless fully grant-funded, formally approved by Council, or emergency schemes.

10 Heart of Cumbria Limited - Audit Exemption - Leader Portfolio *(Pages 25 - 28)*

To consider report F53/18 from the Director of Finance which is attached and which seeks to request an audit exemption for 2017-2018 for the Heart of Cumbria Limited's accounts.

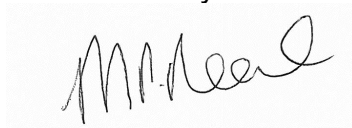
RECOMMENDATIONS that:

1. approval be given to an audit exemption for Heart of Cumbria Limited for the financial year 2017-2018;
2. subject to recommendation 3 below, it be agreed that a guarantee be given by the Council in respect of the liabilities of Heart of Cumbria Limited for 2017-2018; and
3. it be noted that there are no material liabilities still outstanding relating to the financial year 2017-2018.

11 Date of Next Scheduled Meeting

The next scheduled meeting of Council be confirmed as 6 September 2018.

Yours faithfully



Matthew Neal
Deputy Chief Executive

Democratic Services Contact: Vivien Little

Encs

For Attention

All members of the Council

Chairman – Councillor M Robinson (Independent Group)

Vice Chairman – Councillor W Patterson (Independent Group)

Councillors

A Armstrong, Conservative Group
D Banks, Independent Group
K Beaty, Conservative Group
P Breen, Conservative Group
I Chambers, Conservative Group
M Clark, Independent Group
A Connell, Liberal Democrat Group
J Derbyshire, Liberal Democrat Group
M Eyles, Liberal Democrat Group
P Godwin, Independent Group
K Greenwood, Independent Group
L Grisedale, Conservative Group
A Hogg, Conservative Group
D Holden, Liberal Democrat Group
S Jackson, Conservative Group
V Kendall, Conservative Group
T C Ladhams, Independent Group
J C Lynch, Conservative Group

E Martin, Conservative Group
A Meadowcroft, Conservative Group
G Nicolson OBE, Conservative Group
R Orchard, Conservative Group
J Owen MBE, Conservative Group
J Raine, Conservative Group
M Rudhall, Liberal Democrat Group
H Sawrey-Cookson, Independent Group
R Sealby, Conservative Group
L Sharp, Labour
M Slee, Conservative Group
M Smith, Independent Group
V Taylor, Liberal Democrat Group
M Temple, Conservative Group
J G Thompson, Conservative Group
A Todd, Conservative Group
J Tompkins, Liberal Democrat Group
M Tonkin, Independent Group

Please Note:

1. **Access to the internet in the Council Chamber and Committee room is available via the guest wi-fi – no password is required**
2. **Under the Openness of Local Government Bodies Regulations 2014 this meeting has been advertised as a public meeting (unless stated otherwise)**

Eden District Council

**Council
19 April 2018**

Motion on Notice

Motion by Councillor J Raine

In the last 2 and a half years, 94 care home beds have been lost in Eden. In the latest Eden carers newsletter they are advising people to look outside the district for respite care.

During the consultation on the Future of Edenside Care home Cumbria County Council stressed it was important to have a plan B if the home closed. Edenside was finally closed on 22nd September 2016. Nearly two years on and this Council still does not know what Cumbria County Council's plan B is.

This Council is aware that Cumbria County Council is building extra provision care homes elsewhere in the County. This Council needs to know what the County Council's plans are for provision of care in Eden.

The lack of care provision is not only letting down the residents of Eden district but it is also effecting the economy. If families have no choice but to move elderly relatives to another part of the country for specialist care, the overnight accommodation regular needed for family members when visiting their loved ones is lost to this district.

This Council is therefore instructing its Chief Executive to write to Cumbria County Council's Chief Executive enquiring what plan B is and if it is progressing.

Joan Raine

This motion will be seconded by Councillor D Banks

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Report No: G72/18

Eden District Council

Council

12 July 2018

Community Governance Review for Eden District – Final recommendations

| | |
|-------------------------|------------------------|
| Portfolio: | Resources |
| Report from: | Deputy Chief Executive |
| Wards: | All Wards |
| OPEN PUBLIC ITEM | |

1 Purpose

- 1.1 To enable consideration be given to the recommendations of the Community Governance Working Group following the conclusion of the second stage of consultation.

2 Recommendation

1. It is recommended that approval be given to the following changes to the governance arrangements of certain parishes within Eden District as follows:

- a) Barton Parish Council be re-named 'Barton and Pooley Bridge Parish Council';
- b) the administrative area of Hutton Parish Council be increased to include the Motherby Parish Ward of Greystoke Parish Council with the expanded Hutton Parish Council to remain wholly unwarded;
- c) the number of Parish Councillors for Hutton Parish Council be increased from eight to nine;
- d) the number of Parish Councillors for Greystoke Parish Council be reduced from nine to eight with the arrangements for the remaining Parish Wards of Greystoke, Johnby and Blencowe staying unchanged;
- e) the current Ousby Parish Council be dissolved;
- f) a new unwarded Parish Council be created using the current boundary of Ousby (Ousby) Ward, called 'Ousby Parish Council', with the number of parish councillors being five;
- g) a new unwarded Parish Council be created using the boundary of Ousby (Melmerby) Ward, called 'Melmerby Parish Council', with the number of parish councillors being five;
- h) Thrimby Parish Meeting be merged with Little Strickland Parish Meeting; and
- i) the number of councillors for Penrith Town Council be reduced from nineteen to fifteen.

2. The Deputy Chief Executive be authorised to make all necessary orders to effect the above changes.

3 Report Details

- 3.1 The Local Government and Public Involvement in Health Act 2007 gives full responsibility for Community Governance Reviews to principal councils in England. At the full Council meeting on 7 September 2017, it was resolved that a full Community Governance Review should be undertaken and further, a six member working group should be established to advise the Deputy Chief Executive on recommendations to be made as part of the Community Governance Review.
- 3.2 The first Working Group meeting was held on 2 October 2017, with the Chairman of the Scrutiny Co-ordinating Board being elected as Chairman of the Working Group. The Working Group established that all Town, Parish Councils and Parish Meetings should be contacted as part of the first consultation as well as all electors within the parishes being encouraged to comment as well. An electronic survey would be set up on a commonly used survey builder, with paper copies being available at libraries and through Member services. Written submissions would also be considered.
- 3.3 The public consultation period began Thursday 16 November 2017, and ran through until Friday 22 December 2017, the results of which were considered by the Working Group at a meeting on 15 January 2018. Their recommendations were included in a report which was considered by full Council on 15 February 2018. Members approved that
“the Deputy Chief Executive be authorised to commence a second stage of consultation with the following parishes:
 - a) Barton Parish Council with regard to increasing the number of Councillors within Barton Parish and changing the name of the council to ‘Pooley Bridge Parish Council’;
 - b) Brougham Parish Council and Temple Sowerby Parish Council with regard to merging the two Parish Councils;
 - c) Castle Sowerby Parish Council with regard to exploring the viability of retaining the parish council but separating the parish boundary into 2 wards;
 - d) Crackenthorpe Parish Meeting and Long Marton Parish Council with regard to merging the two parishes, with Crackenthorpe becoming a 1 member ward within Long Marton Parish Council;
 - e) Dacre Parish Council with regard to reducing the number of councillors within Dacre Parish;
 - f) Helbeck Parish Meeting and Brough Parish Council with regard to merging the two parishes;
 - g) Hutton Parish Council and Greystoke Parish Council with regard to Motherby village being placed wholly within Hutton Parish, and ensuring that the parish boundaries are coterminous with the District Ward boundaries
 - h) Kirkby Thore Parish Council, Newbiggin Parish Meeting and Temple Sowerby Parish Council with regard to exploring boundary changes requested by Kirkby Thore Parish Council;

- i) Murton Parish Meeting with regard to exploring whether the Parish Meeting should have the name 'Hilton' included in the parish name;
 - j) Ousby Parish Council with regard to splitting the Parish into two separate Parish Councils, 'Ousby Parish Council' and 'Melmerby Parish Council';
 - k) Thrimby Parish Meeting, Little Strickland Parish Meeting and Great Strickland Parish Council with regard to either Thrimby merging with Little Strickland Parish Meeting or both Thrimby and Little Strickland merging with Great Strickland Parish Council; and
 - l) Penrith Town Council with regarding to reducing the number of councillors within the Town Council from 19 to 15.
- 3.4 A second stage of consultation commenced on 1 March 2018, concluding on 31 May 2018. Officers visited all the parish councils potentially affected by the proposed changes to discuss the proposals with the parish councils. A series of public meetings at Crackenthorpe, Motherby, Little Strickland, Ousby and Melmerby were also set up to enable discussions with residents of villages affected.
- 3.5 Upon the conclusion of the second stage of consultation, the Working Group met on 25 June 2018 in order to discuss the findings of the consultation. Because of the number of apologies that had been received, the Chairman of the Working Group agreed to allow substitutions to ensure that as wide a view of Members as possible was obtained. Councillor Nicolson and Councillor Raine attended the meeting in this capacity. During the meeting, each recommendation that the Council approved in February was discussed individually. Paragraphs 3.6 to 3.17 of this report set out the activities and discussions that took place as part of the second stage of consultation.
- 3.6 Barton Parish Council**
- 3.6.1 Barton Parish Council was informed that the initial requested boundary change could not be pursued as it would require a change to district ward boundaries. This is something that can only be undertaken as part of an Electoral Review.
- 3.6.2 Currently Barton Parish Council has five parish councillors. Further to the initial visit to Barton Parish Council, the clerk responded to the consultation, requesting that while they no longer wished to change the number of councillors, they still requested that the parish council name be changed to 'Barton and Pooley Bridge Parish Council'. The Working Group agreed the name change was an easy way to identify the areas covered by the parish, and that an increase in the number of the Councillors could put extra pressure on the parish council to recruit extra members.
- 3.6.3 The Working Group recommended that Barton Parish Council be re-named 'Barton and Pooley Bridge Parish Council';
- 3.7 Brougham Parish Council / Temple Sowerby Parish Council**
- 3.7.1 During the second consultation period, officers separately attended meetings of Temple Sowerby Parish Council and Brougham Parish Council. During the meeting with Brougham Parish Council it emerged that their initial consultation response had been misinterpreted, and they were in fact willing to merge if another Parish Council was seeking to do so, rather than actively seeking a

merger with another Parish Council. District Council officers subsequently received consultation responses from both parish councils, both of whom were against pursuing a merger. Temple Sowerby Parish Council were concerned that Brougham had very little in common with Temple Sowerby, given the geographical distance between them, and that residents would be paying a large increase in their precept for receipt of very few services.

3.7.2 Brougham Parish Council has an electorate of 230, and the precept for 2018-2019 is £3.26 per household for a Band D property. Temple Sowerby has an electorate of 326, and the precept for 2018-2019 is £43.17 for a Band D property. Any merger would mean Brougham's precept would increase significantly. Brougham Parish Council has five parish councillors as has , Temple Sowerby Parish Council.

3.7.3 Members of the Working Group discussed the proposal in depth, concluding that the two parishes were geographically and culturally two separate entities, with very little common ground between them. The recommendation from the Working Group was to not pursue a merger between the two parish councils.

3.8 Castle Sowerby Parish Council

3.8.1 An officer attended a meeting of Castle Sowerby Parish Council. The initial suggestion to create 2 wards within the parish was from a member of the public, not the Parish Council itself. The Parish Council appeared to not wish to pursue the recommendation and it submitted no response during the second consultation period. The Working Group felt that there was no established case for warding arrangements for Castle Sowerby.

3.9 Crackenthorpe Parish Meeting / Long Marton Parish Council

3.9.1 Officers visited both Long Marton Parish Council and attended a public meeting for the residents of Crackenthorpe. During these meetings it emerged that the initial consultation responses had been misinterpreted. Crackenthorpe had indicated that they were prepared to merge with another parish council/meeting in an attempt to avoid simply being swallowed up by another parish. However, the general feeling was that they were happy functioning as they were.

3.9.2 Crackenthorpe Parish Meeting has an electorate of 87, and do not currently pay a precept. Long Marton Parish Council is split into three wards, Brampton (electorate 152), Knock (electorate 103) and Long Marton (350), making a total electorate of 605. Currently the precept for a Band D property is £13.99. Long Marton has seven parish councillor seats, two for Brampton ward, two for Knock ward and three for Long Marton Ward. The proposal that was consulted upon as part of the second stage consultation would have meant that there would be one parish councillor for Crackenthorpe ward within an enlarged Long Marton Parish Council.

3.9.3 Members of the Working Group considered the second stage consultation responses. These were wholeheartedly against the merging of the two parishes. The Group noted that Crackenthorpe is a functioning parish meeting and recommended that no change should be made to its status.

3.10 Dacre Parish Council

- 3.10.1 During the consultation period, Dacre Parish Council was informed that the initial requested boundary change could not be pursued during this review as it would require a change to district ward boundaries. This is something that can only be undertaken as part of an Electoral Review.
- 3.10.2 Dacre Parish Council currently has eleven parish councillor seats. An officer visited Dacre Parish Council, and encouraged the Parish Council to discuss how many councillors the Parish Council would be required in future. No further consultation response was received from Dacre Parish Council. .
- 3.10.3 Members considered the information available, and recommended that given the lack of response, there should be no change to the number of parish council seats for Dacre.

3.11 Helbeck Parish Meeting/Brough Parish Council

- 3.11.1 Members considered the responses that had been received from both Helbeck Parish Meeting and from Brough Parish Council. Council had approved consideration of a merger of the parishes at its meeting of 15 February 2018 due to concerns over the long term viability of Helbeck Parish meeting.
- 3.11.2 Helbeck Parish Meeting has an electorate of 5, and currently does not pay a precept. Brough Parish Council has an electorate of 612, with seven parish council seats, and currently a Band D property pays a precept of £55.19.
- 3.11.3 Officers attended a meeting of Brough Parish Council on 14 May 2018. The Parish Council did not support a merger and it was fed back that Helbeck Parish Meeting also did not support a merger.
- 3.11.4 The Working Group considered the consultation responses, and the feedback from the officers who attended the meeting at Brough. The Working Group considered that although Helbeck was a small parish meeting, and there were concerns about its long term viability, it was currently functioning well, and had good communication with Brough Parish Council. The Working Group felt that there was no strong case and no public support for a merger between the two parishes and the Group recommended that a merger should not be pursued.

3.12 Hutton Parish Council / Greystoke Parish Council

- 3.12.1 Officers had attended Hutton Parish Council, Greystoke Parish Council, and a public meeting to which residents of Motherby had been invited. A number of consultation responses had also been received which were generally in support of moving Motherby into Hutton Parish Council as were the views expressed in the public meetings. .
- 3.12.2 Hutton Parish Council currently has an electorate of 285, with eight parish council seats (unwarded). The precept for a Band D property is £11.85. Greystoke Parish Council has an electorate of 627, split into four wards. Greystoke ward has an electorate 455 and has six parish councillors. Johnby ward has electorate of 65 with one parish councillor. Little Blencowe ward has an electorate 43, with one parish councillor. Motherby ward has electorate of 64 with one parish councillor. The current precept for a Band D property in Greystoke is £25.88.

3.12.3 The Working Group considered the consultation responses, and the results of the meeting with Motherby residents, and the weight of response from the residents of Motherby and the support of both of the parish councils, for Motherby to be moved being moved from Greystoke Parish Council to wholly be within Hutton Parish Council boundaries. The Working Group recommended that this proposal be approved thereby ensuring the parish and ward boundaries would therefore be coterminous.

3.13 Kirkby Thore Parish Council/Temple Sowerby Parish Council/Newbiggin Parish Meeting

3.13.1 Members considered the consultation responses from Temple Sowerby Parish Council and Newbiggin Parish Meeting regarding potential minor boundary changes. Given that the residents involved do not wish any changes to occur, the Working Group agreed that their recommendation should be for no change.

3.14 Murton Parish Council

3.14.1 Members considered the report of the officer who attended Murton Parish Council meeting and the consultation response which had been received from the clerk of the Parish Council. These responses and the meeting gave no support for any change to the name of the Parish Council. The Working Group recommended that a name change should not be pursued.

3.15 Ousby Parish Council

3.15.1 The Working Group heard from the officers who had attended both Ousby Parish Council meeting, and also the two public consultation meetings that had been set up, one in Melmerby village, one in Ousby village. They noted that there had been a relatively high level of response to the consultation, with some very indepth, and well considered responses.

3.15.2 Ousby Parish Council is split into two wards. Ousby ward has an electorate of 192, and Melmerby ward has an electorate of 189. The current precept for a Band D property within Ousby Parish Council is £48.60. Both wards currently have four parish council seats each, for a total of eight seats.

3.15.3 Members considered the numerous responses to the consultation in some depth, noting that there was support for both splitting the parish council, and some support for trying work out some solution that would enable the parish council to remain as one. The Working Group felt that there was far more support for the Parish Council splitting, and regretfully agreed that the recommendation put forward for Council be split into two separate parish councils based upon the current parish ward boundaries. Each new parish council would have five parish council seats, the current minimum requirement for a parish council.

3.16 Thrimby Parish Meeting/Little Strickland Parish Meeting/Great Strickland Parish Council

3.16.1 Members received an update from the officers who attended Great Strickland Parish Council, and a public meeting which had been held in Little Strickland.

3.16.2 Great Strickland Parish Council has an electorate of 200 and is unwarded. The current precept for a Band D property in Great Strickland is £23.45. Little

Strickland Parish Council has an electorate of 51, and a band D property attracts a precept of £16.38. Thrimby has an electorate of 21, and does not have a precept. Thrimby has not met as a Parish Meeting for a number of years.

- 3.16.3 The Working Group considered all the consultation responses that had been received. It noted that Little Strickland's preference was to merge Little Strickland and Thrimby. Great Strickland did not wish to merge with Little Strickland or Thrimby. It noted that the electorate of Thrimby, while invited to take part in the consultation, had chosen not to. The Working Group recommended that Thrimby Parish Meeting be merged with Little Strickland Parish meeting.

3.17 Penrith Town Council

- 3.17.1 Officers of Eden District Council sought to attend a Penrith Town Council meeting to explain the situation regarding the Community Governance Review. However, Penrith Town Council declined the invitation, stating that there was no scope within their standing orders for such a presentation.
- 3.17.2 Penrith Town Council looked to reduce the number of councillors from 19 to 15.
- 3.17.3 Members considered the consultation response received from Penrith Town Council, and agreed to recommend a reduction to the number of Penrith Town Council seats from 19 to 15.
- 3.18 If the recommendations within this report are approved the Deputy Chief Executive will proceed with making Orders in order to effect the changes approved by members.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:
- Decent Homes for All;
 - Strong Economy, Rich Environment;
 - Thriving Communities; and
 - Quality Council
- 4.2 This report meets the corporate priority of Thriving Communities.

5 Consultation

- 5.1 Full Council was consulted on the need to undertake a full Community Governance Review in Eden District on 7 September 2017. Members requested, amongst other matters, that a six-member Working Group be set up to advise the Deputy Chief Executive on recommendations to be made.
- 5.2 A first public consultation exercise was undertaken between Thursday 16 November 2017 and Friday 22 December 2017, enabling all parishes to discuss and respond to the consultation, as well as all members of the electorate within Eden District.
- 5.3 Full Council were appraised of the result of the first stage of consultation at their meeting on 15 February 2018, and they agreed to proceed with the second stage of consultation.

- 5.4 The second stage of consultation took place between 1 March 2018 and 31 May 2018. Officers visited all of the parish councils affected by the proposals made by Council during the period between March and May 2018, and encouraged responses from the parish councils and from members of the public.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-19 as agreed at Council on 17 September 2015.
- 6.1.2 There is minimal budget provision for the Review to assist with postage costs and advertisements, otherwise it is anticipated that any other costs in respect of the Review will be found within existing budgets.

6.2 Legal

- 6.2.1 Chapter 3 of Part 4 of the Local Government and Public Involvement in Health Act 2007 devolves power to District Councils to undertake Community Governance Reviews.
- 6.2.2 The Local Government Act 1972, Schedule 12, paragraph 4(1) and (3) requires that a Parish meeting must assemble annually between 1 March and 1 June (both inclusive) and it must meet on at least one other occasion in the year.
- 6.2.3 Guidance from the Local Government Boundary Commission for England states that 'reasonable periods' of consultation' should be built into any timetable for planning a Community Governance Review. Council agreed a timetable for processing the Community Governance Review, which is still being adhered to. This report is presented in line with the scheduled timescales.

6.3 Human Resources

- 6.3.1 There has been staff resource involved in undertaking the Review. However the extra workload has not incurred any additional staffing resources.

6.4 Statutory Considerations

| Consideration: | Details of any implications and proposed measures to address: |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equality and Diversity | Equalities implications were considered in the consultation methods and information was available in alternative formats. |
| Health, Social Environmental and Economic Impact | The social cohesion aspects of local communities must be considered within any Review. Any impacts should be positive arising from appropriate arrangements for Parishes and Town Councils within the District and has been considered as part of the Community Governance Review. |

| | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------|
| Crime and Disorder | The proposals within this report do not have any significant implications in terms of crime and disorder. |
| Children and Safeguarding | The proposals within this report do not have any significant implication in terms of children and safeguarding. |

6.5 Risk Management

| Risk | Consequence | Controls Required |
|----------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Governance Review orders are delayed until late 2018 | The Review would be delayed and may lead to challenges around timescales | <ol style="list-style-type: none"> 1. Manage process to ensure Review can be undertaken in accordance with the project plan. 2. Ensure support provided to parishes where appropriate. |

7 Other Options Considered

- 7.1 To not pursue the Community Governance review any further at this stage. This is not recommended as this would not be in accordance with Government advice, and after undertaking two stages of consultation, it is apparent that a number of parishes wish to implement change.
- 7.2 Given how much time has been given to working on the two stages of consultation, finishing the Community Governance Review is strongly recommended.

8 Reasons for the Decision/Recommendation

- 8.1 To enable consideration to be given to the recommendations of the appointed Community Governance Review Working Group, and to enable members to consider their final recommendations.

Tracking Information

| Governance Check | Date Considered |
|-----------------------------------|-----------------|
| Chief Finance Officer (or Deputy) | 3 July 2018 |
| Monitoring Officer (or Deputy) | 2 July 2018 |
| Relevant Assistant Director | 3 July 2018 |

Background Papers: Local Government and Public Involvement in Health Act 2007 and relevant Guidance on Community Governance Reviews

Appendices: None

Contact Officer: Matthew Neal, Deputy Chief Executive

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Eden District Council**Executive****3 July 2018****Council****12 July 2018****Scrutiny Co-ordinating Board****20 September 2018****Capital Expenditure 2017-2018 Outturn and
Revised 2018-2019 Programme**

| | |
|-------------------------|---------------------|
| Portfolio: | Resources |
| Report from: | Director of Finance |
| Wards: | All Wards |
| OPEN PUBLIC ITEM | |

1 Purpose**1.1 To:**

- a. advise Members of capital expenditure for the financial year 2017-2018, together with the means by which it was funded; and
- b. present an amended Capital Programme for 2018-2019, to take account of a revision of projected resources and other factors affecting the Council's Capital Programme and the impact of the 2017-2018 outturn, subject to audit.

1.2 The Capital Programme is susceptible to change because of a variety of factors. Capital schemes can be subject to slippage and overspend, which can affect finance.

1.3 This report is brought before Members on an annual basis to take account of such factors and to allow Members to assess the Capital Programme for the current financial year. It also forms the basis for the Capital Programme for the coming financial year.

2 Recommendation

- 1 The outturn for 2017-2018, subject to audit, as set out in Appendix A, be noted.
- 2 The amended Programme for 2018-2019, as set out in Appendix B, be agreed.
- 3 No new schemes are included in the Programme, unless fully grant-funded, formally approved by Council, or emergency schemes.

3. Report Details

3.1 Capital Outturn 2017-2018

Expenditure for the year, together with the revised budget figures and any resultant variances, is shown below:

| | 2017-18 budget | Out turn | Variance |
|------------------------|-------------------|--------------|---------------|
| Portfolio | £'000 | £'000 | £'000 |
| Services | 100 | 79 | -21 |
| Commercial Services | 233 | 222 | -11 |
| Housing and Health | 1,754 | 941 | -813 |
| Communities | 22 | 0 | -22 |
| Resources | 823 | 654 | -169 |
| Leader | 1,000 | 0 | -1000 |
| Total Programme | 3,932 | 1,896 | -2,036 |
| Renewals: | | | |
| IT | 89 | 20 | -69 |
| Digital Innovation | 231 | 223 | -8 |
| Leisure | 333 | 262 | -71 |
| Total Capital | 4,585 | 2,401 | -2,184 |

3.2 Details of the above variances are shown at Appendix A. The main areas of variance were due to slippage of the following schemes:

- **Leader** – The planned £1m equity purchase from Heart of Cumbria limited did not occur within the year; the acquisition of affordable housing which underlies the equity issue is due to complete during the first quarter of 2018-2019.
- **Housing and Health** –
 - £358,000 of the Affordable Housing Innovation Fund remains to be distributed; a scheme under development by Eden Housing Association is anticipated to draw down the funds during 2018-2019.
 - £264,000 of mandatory housing renovation grants were not spent in year although only around £100,000 was uncommitted; there are restrictions over the use of this funding so these will be rolled forward to meet the trend of increasing demand.
 - £191,000 of discretionary housing grants were not spent. These are also demand led but are funded out of general capital resources. This budget will not be rolled forward as there is an existing allocation of £210,000 in the 2018-2019 budget. This will be reviewed as part of the 2019-2020 budget process.
- **Resources** - £134,000 of the depot refurbishment budget was not used in year. The main building phase was largely complete. The remaining budget relates to re-modelling and demolition of buildings on the wider site. This is due to complete during 2018-2019.
- **Renewals** – IT and Leisure renewals programmes were £69,000 and £71,000 underspent respectively. These budgets relate to ongoing programmes of works with the budgets to be rolled into subsequent years.

This expenditure was resourced as follows:

| Financing by funding type: | 2017-18 Actual £'000 |
|-----------------------------------|-------------------------------------|
| Reserve IT | 20 |
| Reserve Renewals | 397 |
| Leisure Provision | 88 |
| DFG | 236 |
| Capital Receipt | 488 |
| Budgeted DRF | 520 |
| Reserve Homelessness | 445 |
| Reserve Affordable housing | 207 |
| | 2,401 |

3.3 Amended Capital Programme 2018-2019

3.3.1 Based on the outturn for 2017-2018, the original Programme for 2018-2019, and any other matters relevant, the amended Programme can be summarised as follows:

| | £'000 |
|--------------------------------------------------------|--------------|
| Original Estimate: Capital Programme | 2,257 |
| Original Estimate – Repair and Renewals Funds | 204 |
| Single Site Accommodation (approved April Council) | 2,300 |
| Plus 2017-2018 underspend (Appendix A) | 2,184 |
| Non-roll forward of Discretionary Housing Grants | -191 |
| Other minor adjustments* | -14 |
| Additional DDI project funded from Repair and Renewals | 135 |
| Total per Appendix B | 6,875 |

*This is a £13,000 adjustment to Disabled Facilities Grants following confirmation of the award for 2018-2019 and £1,000 on the Corney Square budget not required to be rolled forward.

3.3.2 In preparing this report, an error in the Capital Programme approved at Council on 15 February 2018 has been noted. The full cost of the Delivering Digital Innovation Project and the Replacement of Revenues and Benefits Software were omitted. Both were previously approved by Council. The Repair and Renewal Fund Expenditure has therefore been increased by £143,000 to correct this (£8,000 from 2017-2018 budgets, £135,000 added in to the programme).

3.3.3 This will be funded as follows:

| Financing by funding type: | 2018-19 Original £'000 | Re-profiling and Other adjustments £'000 | 2018-19 Revised £'000 |
|-----------------------------------|---------------------------------------|-------------------------------------------------------------|--------------------------------------|
| Reserve IT | 125 | 69 | 194 |
| Reserve Capital | 20 | 22 | 42 |
| Reserve Renewals | 79 | 214 | 293 |
| DFG | 500 | 251 | 751 |
| Prudential Borrowing | 0 | 2,300 | 2,300 |
| Capital Receipt | 1,009 | 200 | 1,209 |
| Budgeted DRF | 167 | 0 | 167 |
| Reserve Affordable housing | 561 | 1,358 | 1,919 |
| Total | 2,461 | 4,414 | 6,875 |

3.4 Capital Programme 2018-2022: Review of Available Resources

- 3.4.1 The latest estimate of available resources is shown below. This table shows what earmarked resources are available once the revised 2018-2022 Capital Programme has been financed:

| Cumulative closing position by funding type | Closing 2017-18 £'000 | 2018-19 Revised £'000 | 2019-20 £'000 | 2020-21 £'000 | 2021-22 £'000 |
|----------------------------------------------------|----------------------------------|----------------------------------|--------------------------|--------------------------|--------------------------|
| IT Renewals | 70 | 1 | 25 | 50 | 50 |
| Capital Reserve | 403 | 361 | 0 | 0 | 0 |
| Renewals Reserve | 879 | 762 | 708 | 393 | 514 |
| DFG | 308 | 0 | 0 | 0 | 0 |
| Housing Grant | 99 | 99 | 0 | 0 | 0 |
| Capital Receipt | 1,357 | 256 | 191 | 299 | 407 |
| Reserve Affordable housing | 1,938 | 97 | 0 | 75 | 150 |
| Total | 5,054 | 1,576 | 924 | 817 | 1,121 |

- 3.4.2 The above includes an assumption of capital receipt income of £108,000 per year, this being £100,000 for miscellaneous disposals including the Council's share of the retained right to buy receipts, and £8,000 for repayment of a loan to the leisure provider. It also includes an assumption of £75,000 per year from S106 receipts and repayment of the Affordable Housing Innovation Fund loans. These are judged to be prudent assumptions; the actual level of income will be reviewed at least annually with schemes only to be committed against funds when the income is actually due for payment.
- 3.4.4 The Council has received notice that its allocation for Disabled Facilities Grants from central Government will be £442,737 in 2018-2019. Under current arrangements, the funding is issued to Cumbria County Council and 'passported' to the district councils. This is included in the programme funding. Future years of the programme assume equal ongoing income and expenditure of £250,000. This will be reviewed annually but given the current level of allocation, may be higher.
- 3.4.5 Overall, this suggests that there may be resources left but these mostly relate to the renewals fund to support ongoing investment in operational assets and funds restricted to use on housing projects.
- 3.4.6 The capital programme includes the provisional budgets approved for the single site proposal by Council on 19 April 2018. This budget of £2,300,000 is funded through 'prudential borrowing', where the council uses loan finance which is repaid over the life of the asset constructed, or 'Minimum Revenue Provision'. This budget is subject to confirmation following further work to refine the specification, build cost and future running costs.

3.5 Conclusion

- 3.5.1 The outturn for 2017-2018 is shown in summary, subject to audit, at Section 3.1 and Appendix A.
- 3.5.2 The amended Capital Programme for 2018-2022, as set out at Appendix B, is £10,995,000.
- 3.5.3 The Single Site accommodation proposals will have a large impact on the programme. Once further details are known, the programme and its funding will be reviewed.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Decent Homes for All;
- Strong Economy, Rich Environment;
- Thriving Communities; and
- Quality Council.

4.2 The original Capital Programme, as agreed by Council as part of the estimates cycle, forms part of the Council's budgetary and policy framework.

4.3 The Council has prioritised capital schemes for several years.

5 Consultation

5.1 There has been consultation with the Resources Portfolio Holder.

6 Implications

6.1 Financial and Resources

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-2019 as agreed at Council on 17 September 2015.

6.1.2 The Financial and Resources implications are outlined at Section 3 of the report.

6.2 Legal

6.2.1 There are no Legal implications.

6.3 Human Resources

6.3.1 There are no Human Resources implications.

6.4 Statutory Considerations

| Consideration: | Details of any implications and proposed measures to address: |
|--------------------------------------------------|----------------------------------------------------------------------|
| Equality and Diversity | There are no implications |
| Health, Social Environmental and Economic Impact | There are no implications |
| Crime and Disorder | There are no implications |
| Children and Safeguarding | There are no implications |

6.5 Risk Management

| Risk | Consequence | Controls Required |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Significant capital schemes are susceptible to slippage and overspend | This could cause overspending or underspending | The prioritisation is already implemented and close capital monitoring is already in place. These go some way to guarding against these risks |
| If schemes are not undertaken, grants provided by third parties may be recovered | Grants may need to be recovered | This is managed by the regular monitoring of the Capital Programme |
| There is a risk that anticipated capital receipts may not arise as forecast | Capital receipts may not materialise, or may be delayed | A prudent level of receipts is included in the estimate of available funding. These are reviewed annually and not committed against until realised. |
| There is a risk that the Council may lose its current level and previously unused funding for Disabled Facilities Grants | Less work may be undertaken, or the Council will have to undertake the work itself | As stated at section 3.4.4, the allocation for 2018-2019 has been confirmed. |

7 Other Options Considered

7.1 No other options have been considered.

8 Reasons for the Decision/Recommendation

8.1 To allow the Council to effectively manage its Capital Programme by rolling forward unspent monies, where appropriate, and to ensure an accurate Programme is set for the year 2018-2019.

Tracking Information

| Governance Check | Date Considered |
|------------------------------------------|------------------------|
| Chief Finance Officer (or Deputy) | 12 June 2018 |
| Monitoring Officer (or Deputy) | 12 June 2018 |
| Assistant Director | 12 June 2018 |

Background Papers: Statement of Accounts 2017-2018

Approved Budget 2018-2019

Appendices: Appendix A - Details of Variances

Appendix B - Summary of Capital Programme 2018-2022

Contact Officer: Pete Notley, Assistant Director Financial Services, 01768 212209

Details of Variances 2017-2018

| Portfolio | Scheme | 2017-18 Budget £'000 | Outturn £'000 | Variance £'000 | Note |
|----------------------|--------------------------------------|----------------------------|------------------|-------------------|------|
| Services | Footway Lighting | 100 | 79 | -21 | 1 |
| Commercial Services | Eden Business Park - Phase 1 | 10 | 0 | -10 | 2 |
| Commercial Services | 4/4A Corney Square, Penrith | 223 | 222 | -1 | |
| Housing and Health | Mandatory Renovation Grants | 500 | 236 | -264 | 3 |
| Housing and Health | Discretionary Renovation Grants | 244 | 53 | -191 | 4 |
| Housing and Health | Affordable Housing Innovation Fund | 1,010 | 652 | -358 | 5 |
| Communities | Penrith Leisure Centre | 22 | 0 | -22 | 6 |
| Resources | Depot Refurbishment | 788 | 654 | -134 | 7 |
| Resources | Kitchen and Toilets at Mansion House | 35 | 0 | -35 | 8 |
| Leader | Heart of Cumbria – Equity | 1,000 | 0 | -1,000 | 9 |
| Total | | 3,932 | 1,896 | -2,036 | |
| Resources | IT Renewals | 89 | 20 | -69 | 10 |
| Resources | Renewals DDI | 231 | 223 | -8 | |
| Resources | Renewals Leisure | 333 | 262 | -71 | 11 |
| Total Capital | | 4,585 | 2,401 | -2,184 | |

1. Part of the ongoing programme to upgrade footway lighting, recommended to be rolled forward.
2. To cover retention amounts not yet paid; recommended to be rolled forward.
3. Demand led Disabled Facilities Grants (DFG); £100,000 was unallocated. Restrictions exist around the use of DFG funding so recommended that this be rolled forward.
4. £191,000 of discretionary housing grants were not spent. These are also demand led but are funded out of general capital resources. This budget will be reviewed as part of the 2019-2020 budget process, recommend these are not rolled forward.
5. £358,000 of the Affordable Housing Innovation Fund remains to be distributed; a scheme under development by Eden Housing Association is anticipated to draw down the funds during 2018-2019.
6. Part of the ongoing programme of works at Penrith Leisure Centre specifically relating to roof repairs; now planned for completion 2018-2019 recommend that this be rolled forward.
7. £134,000 of the depot refurbishment budget was not used in year. The main building phase was largely complete. The remaining budget relates to re-modelling and demolition of buildings on the wider site. This is due to complete during 2018-2019.
8. This is now planned to be spent during 2018-2019; recommend roll forward.
9. The planned £1m equity purchase from Heart of Cumbria limited did not occur within the year; the acquisition of affordable housing which underlies the equity issue is due to complete during the first quarter of 2018-2019.
10. This related to spend on the IT renewals programme. Much of this is due to the timing of spend; there may be some areas where alternative budgets exist to cover IT costs. Recommend that this be rolled forward with a full programme review as part of the 2019-2020 budget process.
11. Part of the ongoing renewal programme on Leisure assets. Recommend roll forward.

Revised Capital Programme 2018-2022

| | | 2018-22 | 2018-19 Revised | 2019-20 | 2020-21 | 2021-22 |
|----------------------|------------------------------------|---------------|--------------------|--------------|--------------|------------|
| Portfolio | Scheme | £'000 | £'000 | £'000 | £'000 | £'000 |
| Services | Footway Lighting | 771 | 771 | 0 | 0 | 0 |
| Commercial Services | Eden Business Park - Phase 1 | 59 | 59 | 0 | 0 | 0 |
| Housing and Health | Mandatory Renovation Grants | 1,501 | 751 | 250 | 250 | 250 |
| Housing and Health | Discretionary Renovation Grants | 210 | 210 | 0 | 0 | 0 |
| Housing and Health | Affordable Housing Innovation Fund | 358 | 358 | 0 | 0 | 0 |
| Communities | Penrith Leisure Centre | 22 | 22 | 0 | 0 | 0 |
| Communities | Castle Park Improvement | 20 | 20 | 0 | 0 | 0 |
| Communities | Castle Park Vision Plan | 167 | 167 | 0 | 0 | 0 |
| Resources | Depot Refurbishment | 134 | 134 | 0 | 0 | 0 |
| Resources | Kitchen & Toilets at Mansion House | 35 | 35 | 0 | 0 | 0 |
| Resources | Single Site Accommodation | 2,300 | 2,300 | 0 | 0 | 0 |
| Leader | Heart of Cumbria – Equity | 1,000 | 1,000 | 0 | 0 | 0 |
| Leader | Heart of Cumbria – Loan | 3,153 | 561 | 1,690 | 561 | 341 |
| Total | | 9,730 | 6,388 | 1,940 | 811 | 591 |
| Resources | IT Renewals | 355 | 194 | 46 | 45 | 70 |
| Resources | Renewals DDI | 143 | 143 | 0 | 0 | 0 |
| Resources | Renewals Leisure | 767 | 150 | 177 | 438 | 2 |
| Total Capital | | 10,995 | 6,875 | 2,163 | 1,294 | 663 |

Eden District Council

Council

12 July 2018

Heart of Cumbria Limited – Audit Exemption

| | |
|-------------------------|---------------------|
| Portfolio: | Leader Portfolio |
| Report from: | Director of Finance |
| Wards: | All Wards |
| OPEN PUBLIC ITEM | |

1 Purpose

- 1.1 To request an audit exemption for 2017-2018 for the Heart of Cumbria Limited's accounts.

2 Recommendations

It is recommended that

- 1) approval be given to an audit exemption for Heart of Cumbria Limited for the financial year 2017-2018;
- 2) subject to recommendation 3 below, it be agreed that a guarantee be given by the Council in respect of the liabilities of Heart of Cumbria Limited for 2017-2018; and
- 3) it be noted that there are no material liabilities still outstanding relating to the financial year 2017-2018.

3 Report Details

- 3.1 Heart of Cumbria Limited is the Council's wholly owned private limited Company. Trading up to 31 March 2018 has been minimal. The Company's income for 2017-2018 was a grant of £43,316. There was no call on the finance approved by Council on 15 February 2018 during the year.
- 3.2 For small companies or subsidiary companies, there are exemptions available from audit requirements to help these bodies avoid unnecessary costs, where certain conditions are met. As a regulated activity, external audit can incur significant costs. Having obtained quotes from 4 suppliers, the cost of auditing the Company accounts for 2017-2018 could take between 8% and 17% of the Company's total grant for 2017-2018. Given that the total number of transactions is small and the nature of the transactions was not complex, the level of assurance provided by an external audit may not be judged as proportionate to the cost.
- 3.3 The Company is well below the limits for a small company exemption. However, as a subsidiary Company, the Council as "owners" of the Company may approve an exemption and guarantee the liabilities of the Company at the end of the financial year in question. Although the Council is required to give a guarantee, as there was limited trading, there are no material liabilities still outstanding relating to 2017-2018.
- 3.4 An independent firm of accountants has been engaged by the Company to prepare the statutory accounts and tax return for 2017-2018. These accounts will be submitted to Companies House and will be openly accessible.
- 3.5 Council is recommended to approve the exemption and the guarantee as set out above. If the Council does not support the audit exemption for 2017-2018, Heart of Cumbria Limited will need to complete an audit and incur the additional cost.

- 3.6 Accounts and Governance Committee has delegated responsibility relating to audit function. If the audit exemption is approved, a note to set this out will need to be included in the Council's own 2017-2018 accounts. These are due to be approved at the next Accounts and Governance Committee on 26 July 2018. Having certainty over the exemption before that date will help finalise the Council's own financial statements and prevent complications at Accounts and Governance Committee on 26 July 2018. In the circumstances, Council is therefore being asked to approve the exemption as set out in this report rather than the Accounts and Governance Committee.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:

- Decent Homes for All;
- Strong Economy, Rich Environment;
- Thriving Communities; and
- Quality Council.

- 4.2 The proposals set out in this report are relevant to the Quality Council corporate priority.

5 Consultation

- 5.1 The board members of Heart of Cumbria Limited have been consulted in the preparation of this report.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-2019, as agreed at Council on 17 September 2015.
- 6.1.2 The report presents no options that would directly impact on the Council's budget. If the Company is required to have audited accounts, this will incur additional cost for the Company.

6.2 Legal

- 6.2.1 Depending on the decision of Council, the relevant elements of the Companies Act (2006 as amended) either will or will not be used as the basis of an audit exemption. As part of the approval, the Council is being asked to provide a guarantee over the Company's liabilities as at 31 March 2018. As the level of trading was minimal to this date, there are no material liabilities outstanding.

6.3 Human Resources

- 6.3.1 There are no Human Resources implications.

6.4 Statutory Considerations

| Consideration: | Details of any implications and proposed measures to address: |
|--------------------------------------------------|----------------------------------------------------------------------|
| Equality and Diversity | There are no implications |
| Health, Social Environmental and Economic Impact | There are no implications |
| Crime and Disorder | There are no implications |
| Children and Safeguarding | There are no implications |

6.5 Risk Management

| Risk | Consequence | Controls Required |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| The Company does not submit the correct financial statements to Companies House. | Potential negative impact on reputation and additional time to resolve filing of accounts. | Involvement of third party private sector accounting specialists to ensure the correct processes are followed. |

7 Other Options Considered

7.1 The options are set out above. No other options are suggested.

8 Reasons for the Decision/Recommendation

8.1 The report presents options to exercise the right to approve an audit exemption for the Council's wholly owned Company.

Tracking Information

| Governance Check | Date Considered |
|-----------------------------------|-----------------|
| Chief Finance Officer (or Deputy) | 3 July 2018 |
| Monitoring Officer (or Deputy) | 3 July 2018 |
| Assistant Director | 3 July 2018 |

Background Papers: **Financing the Heart of Cumbria Limited: (Report CE7/18, Council, 15 February 2018)**

Contact Officer: **Clive Howey, Director of Finance, 01768 212213**
 Peter Notley, Assistant Director Financial Services, 01768 212209

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