

Eden District Council

Cabinet

22 February 2022

Final Budget 2022/23 & Medium Term Financial Plan

Portfolio:	Resources & Leader
Report from:	Interim Director of Resources
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 The Council is required to produce a balanced budget for 2022/23 as the basis for calculating its level of Council Tax. It has to base that budget on its Corporate Plan priorities and service delivery requirements estimated for the year, recognising any changes in service demand that may arise in future years.
- 1.2 To receive and consider responses to the Council's budget consultation, which was published on 21 January 2022.
- 1.3 To receive and consider feedback from the Finance Scrutiny Committee on the proposed budget.

2 Recommendation

It is recommended to:

- 2.1 Approve and recommend the balanced budget to Full Council as set out in Appendix 1.
- 2.2 Consider and recommend a Council Tax freeze to Full Council.
- 2.3 Recommend the proposed capital programme 2022/23 – 2025/26 to Full council as set out in Appendix 2.
- 2.4 Note the latest Medium Term Financial Plan (MTFP) for 2022/23 to 2025/26 as set out in Appendix 3.
- 2.5 To note the impact of the proposed budget on reserves and recommend the reserves to full council as set out in Appendix 4.
- 2.6 To note the budget consultation responses summarised at section 13 and detailed at Appendices 5 & 6 (*Appendix 6 to follow on closure of the consultation 21 February*).

3 Background

- 3.1 On 7 November 2019, the Council adopted a new Corporate Plan 2019-2023, which sets out the vision and strategic priorities for the Council for the following four years:

Vision

Our Vision for Eden is of a place where people act together to meet the needs of all and ensure the well-being of future generations.

Strategic Priorities

Sustainable

Make our Council financially viable, customer focussed and zero carbon. Co-produce economic opportunities and strategies which will protect Eden's working cultural landscapes and biodiversity, aiming to store more carbon than is produced in the District.

Healthy, Safe and Secure

Improve housing, both new build and existing, working towards self-sufficiency in energy; and co-produce healthy, connected, prosperous communities for all, young and old, urban and rural.

Connected

Improve digital connectivity, transport and access to attract and support businesses, employees and families, connecting Eden with the global economy and knowledge industries. People connected in communities and with access to education, work, healthcare and leisure and combat isolation.

Creative

Encourage innovation in tourism, food and green industries and support businesses to respond to national and global changes. Develop arts and cultural activities to add to town centre vibrancy; support communities; and improve health and wellbeing.

- 3.2 The Council sets its budget in order to deliver the strategic priorities and maintain a sustainable medium term financial future for the Council

Local Government Reorganisation and Covid-19

- 3.3 From 1 April 2023, the current six district councils in Cumbria and Cumbria County Council will be replaced by 2 new unitary authorities. Eden, alongside South Lakeland District Council, Barrow Borough Council and part of Cumbria County Council, will create the Westmorland and Furness Unitary Authority.
- 3.4 A structural changes order has been laid before Parliament and is anticipated to be approved in late March. In addition, the Government has said that it is intending to make a direction under section 24 of the Local Government and Public Involvement in Health Act 2007.
- 3.5 The Finance Scrutiny Committee in its deliberations on the budget asked what impact a section 24 direction might have on the Council.
- 3.6 A section 24 direction will seek to control excessive expenditure and potentially limit what existing authorities can do with asset acquisitions or disposals.
- 3.7 The exact details and timing of the direction are not yet known however previous directions in similar circumstances have prevented the entering into new or variations of existing contracts both revenue and capital, without the written approval of the new Shadow Authority.

- 3.8 It is therefore not a blanket control and clearly the values applied will be critical. It could cause some practical issues during the final year of the Council, but once the final details are known a review will be made to assess where there might be the need to seek authority to from the new Shadow Authority.
- 3.9 A further implication of LGR is the impact on staff resources. A significant proportion of staff across the organisation are contributing to the workstreams and packages set up to deliver the new Authorities.
- 3.10 The availability of external and replacement resources has also been affected, and we are already having difficulties back-filling gaps left.
- 3.11 Whilst, not as extreme as LGR the Covid-19 pandemic also continues to have an effect on the Council with absences increasing and secondments still needed to work on Covid support projects.
- 3.12 The effect is to put pressure on delivery of statutory functions and corporate priorities and this will need to be carefully balanced through the financial year.
- 3.13 Budgets for 2022/23 have been prepared taking this into account and in particular considering
- resourcing available during 2022/23 to complete plans
 - Funding required to meet resourcing requirements through alternative methods (e.g. interims & contractors).
- 3.14 Although the resources market is expected to continue to be limited past 2022/23, economies of scale from the combining of the authorities due to Local Government Reorganisation means that we do not expect this to cause the same level of pressures on the new Unitary authority and the MTFP reflects this.

Budget Setting Process

- 3.15 The formal budget setting process began in November 2021 with the presentation and approval of the Quarter 2 monitoring, revised budget and MTFP to Cabinet and Council. The preparation of this report took into account known and expected changes in the 2021/22 year and future years and therefore presented a base for the more detailed work on the budget for 2022/23.
- 3.16 The budget guidelines, as presented at November Council as part of the revised budget, were followed in preparation of the budget, which included workshops of officers and Cabinet members to discuss pressures and opportunities.
- 3.17 The Cabinet produced its draft budget for consultation on 20 January 2022. The responses to date are considered at paragraph 13 below. Any additional responses will be considered before the Council meeting on 24 February 2022.

4 Final Local Government Finance Settlement

- 4.1 The final Local Government Finance Settlement was announced on 7 February 2022 and there were no material changes to the provisional settlement.

4.2 The table below sets out all of the Government funding streams, which beyond 2022/23 are extremely uncertain and remain almost impossible to predict.

Grants & Funding	Provisional 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
	£'000	£'000		
Business Rates Funding	3,555			
Rural Services Delivery Grant	711			
New Homes Bonus	386			
Lower Tier Services Grant	77			
Services Grant	12			
Future Government Funding		4,741	4,741	4,741
TOTAL	4,741	4,741	4,741	4,741

4.7 In addition, EDC has been awarded £1,029,778 from the COVID-19 Additional Relief Fund (CARF). The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. So we are looking at businesses that aren't retail, leisure or hospitality.

4.8 The Council operates the fund on an Agency basis so it sits outside of the revenue budget and hence isn't included above.

5 Revenue Budget 2022/23

5.1 The revenue budget proposals are set out at Appendix 1 and remain, in total value, unchanged from those approved and presented for consultation in January.

5.2 Changes that have been made are the following:

- Correction of allocation of services to Directorates;
- Virement of budgets between services where they had been allocated to the wrong service in the proposal.

6 Capital Programme 2022/23 – 2025/26

6.1 The Capital Programme proposals are set out in Appendix 2. They incorporate one change from the original programme approved in January.

6.2 An additional scheme has been added to the programme at King George V Field, Appleby for the reconstruction of the drains. It is £54k spend in 2022/23 funded from the capital reserve.

7 Council Tax 2022/23

7.1 The options for Eden set by Government without the requirement for a local referendum are an increase of 2% or £5, whichever is greater.

7.2 A £5 increase in the band D would equate to 2.6% and would raise £104,000 in 2022/23. The increase would cost a Band D taxpayer around 10p per week.

- 7.3 The Council's finances are in a strong position and the Proposed Settlement agreement is favourable for 2022/23.
- 7.4 It is proposed that the level of Council Tax for Eden District remain the same at £200.75 for a Band D property. This has been supported by the Finance Scrutiny Committee at their meeting of 4 January 2022.

8 Medium Term Financial Plan 2022/23 – 2024/25

- 8.1 The Medium Term Financial Plan (attached at Appendix 3) has been updated to reflect the revenue implications of the changes to the Capital Programme (section 7.2 of this report) and use of Reserves (Section 10.1 of this report).
- 8.2 The net budget requirement for 2022/23 remains the same as that published for consultation in January 2022.

9 Reserves and Balances

- 9.1 The Council's Earmarked Reserves, General Fund Balance and Capital Resources are set out at Appendix 4.
- 9.2 These are unchanged from the proposed budget issued for consultation except for the following changes:
- The Planning Project Officer post is funded from the Penrith Vision reserve. The costs of the post were previously included in the Net Cost of Services, however the use of the reserve had not been shown in the January report.

10 Corporate Priorities 2022/23

- 10.1 In proposing the budget for 2022/23, the Cabinet have considered the pressures on the council due to Covid19 and also the timescales available for corporate priorities due to Local Government Reorganisation. One off events in 2022/23 have also been considered.
- 10.2 The table below sets out the areas, which if approved, would be funded through earmarked reserves created in 2021/22.

Name	Description	22/23
Open Space / Play Area Improvements	Additional funding for Open Space and Play Areas owned and managed by Eden District Council to maintain and/or renovate	£50,000
Queen's Platinum Jubilee 2022	Funding to support community events in relation to the celebrating of the Queen's Platinum Jubilee	£20,000
Cultural Development Initiatives	Subject to further cabinet approval	£235,000
Business Support Consultant on Economic Development	Extension of contract to 31.3.23	£36,000
Development Management	Additional costs of staffing due to backlog and staff market pressures on planning, enforcement and Ecology Officer	£431,000
Local Plan Review	Additional funding for the review of the Local Plan to reach deadlines in 22/23	£50,000
Zero Carbon Biodiversity initiatives	Subject to further cabinet approval	£100,000
Resources	Additional staffing costs in Resources to support Licencing, Health & Safety and Finance to ensure that legal obligations are met. This is partly due to difficulties with recruitment due to pending LGR.	£163,000
Officer Training & Development	Increase in budget to support Eden staff toward the Local Government Reorganisation and support recruitment and retention	£50,000
Single Site Project	Non-capital costs of moving staff into a single site during 2022/23	£40,000
Microsoft Licences	Increased licencing costs due to old systems which have been delayed for upgrade due to Covid19	£25,000
		£1,200,000

11 Policy Framework

11.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

11.2 The annual budget forms an essential part of the Council's budgetary and policy framework.

12 Consultation

12.1 The Budget Consultation commenced on 21 January 2022. To date responses have been received from Finance Scrutiny Committee and no responses have currently been received from residents.

12.2 The Finance Scrutiny Committee have undertaken a review of the draft budget. The Committee created a Task and Finish Group, which met on three occasions to consider their subjects and undertake scrutiny of both staff and portfolio holders.

12.3 At their meeting 8 February the Committee concluded its Scrutiny work and made the following recommendation:

that the report from The Task & Finish Group, including Appendix A [pages 3-6], is submitted to Cabinet for review, and that the Cabinet acknowledges in the budget report that the SCO may restrict spending during 2022/23.

12.4 The comments from the Finance Scrutiny Committee are summarised below and set out in Appendix 5, any further comments received prior to the meeting will be presented on the night:

- Ensuring that money invested is not wasted due to the move to the new Unitary. This included ensuring that funding provided to the community was enabling/facilitating rather than subsidising. It also included consideration of commitments going into the new Unitary.
- The size of the bio-diversity allocation was considered small in comparison to the subject matter
- Ensuring that proposed plans were deliverable considering timescales and resources available
- Consideration of whether the planned resources would clear backlogs created during the Covid-19 pandemic
- Concerns over the availability of resources to the council over the next year given market conditions

14 Implications

14.1 Financial and Resources

14.1.1 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 2019-2023 as agreed at Council on 7 November 2019.

14.1.2 The nature of the report means that Financial and Resources implications are dealt with throughout the body of the report.

14.2 Legal

14.2.1 The Council is mandated to set a balanced budget, explaining how expenditure is funded and the impact upon reserves and balances

14.2.2 The report complies with statutory timescales for the setting of the Council's budget and the Council Tax

14.3 Human Resources

14.3.1 There are no direct Human Resource implications

14.4 Environmental

14.4.1 There are no direct environmental implications.

14.5 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

Consideration:	Details of any implications and proposed measures to address:
Children and Safeguarding	There are no implications

14.6 Risk Management

Risk	Consequence	Controls Required
The continuation of Covid19 creates uncertainty in the short term on priority progression, costs and staffing. This could affect the budget either adversely or short term favourably	Decreased ability to plan in advance	Budget setting process scrutinised including stress testing. Budget monitoring accurate and timely to lead to pro-active decision making in a timely manner.

15 Other Options Considered

15.1 No other options have been considered.

16 Reasons for the Decision/Recommendation

16.1 To meet the statutory timescales for the setting of the Council's budget and the Council Tax.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	Report Author
Monitoring Officer (or Deputy)	11 February 2022 (Deputy)
Relevant Assistant Director	N/A

Background Papers: None

Appendices: Appendix 1 – Revenue Final Budget Proposals 2022/23
Appendix 2 – Capital Programme 2022/23 – 2025/26
Appendix 3 – Medium Term Financial Plan
Appendix 4 – Revenue Reserves
Appendix 5 – Consultation Response from Finance & Scrutiny Committee
Appendix 6 – Consultation Responses from Public (to follow)

Contact Officer: Paul Sutton, Interim Director of Resources

EDEN DISTRICT COUNCIL Revenue Budget 2022/23												
SUMMARY BY SERVICE AREA												
Directorates	Budget Holder Responsibility	Service Description	Portfolio	Expenditure / Income	Revised Budget 2021/22	Base Budget 22/23	Priorities	Proposed Budget 2022/23	Movement	Movement		
					£'000	£'000	£'000	£'000	£'000	%		
Chief Executive Directorate	Chief Executive Directorate	Chief Executive		Expenditure	212	255	0	255	43			
		Chief Executive		Income	0	0	0	0	0			
		Chief Executive Total	Leader		212	255	0	255	43	20%		
		Corporate Costs		Expenditure	6	6	0	6	0			
		Corporate Costs		Income	0	0	0	0	0			
		Other Chief Executive Costs Total	Leader		6	6	0	6	0	0%		
		Non Service Specific		Expenditure	(15)	45	0	45	60			
		Non Service Specific		Income	0	0	0	0	0			
		Non Service Specific Total	Leader		(15)	45	0	45	60	-400%		
		Corporate Priorities		Expenditure	0	0	0	0	0			
		Corporate Priorities		Income	0	0	0	0	0			
		Corporate Priorities Costs Total	Leader		0	0	0	0	0			
		Local Government Reorganisation		Expenditure	0	1,600	0	1,600	1,600			
		Local Government Reorganisation		Income	0	0	0	0	0			
		Local Government Reorganisation Total	Leader		0	1,600	0	1,600	1,600			
CHIEF EXECUTIVE DIRECTORATE TOTAL					203	1,906	0	1,906	1,703			
Resources Directorate	Interim Director of Resources	Interim Director of Resources		Expenditure	174	97	0	97	(77)			
		Interim Director of Resources		Income	0	0	0	0	0			
		Director of Corporate Services Total	Leader		174	97	0	97	(77)	-44%		
		Emergency Planning and Works		Expenditure	0	0	0	0	0			
		Emergency Planning and Works		Income	(221)	0	0	0	221			
		Emergency Planning and Works Total	Leader		(221)	0	0	0	221	-100%		
		Ass Dir Finance & HR	Ass Dir Finance & HR	Financial Services		Expenditure	543	501	83	584	41	
				Financial Services		Income	0	0	0	0	0	
				Financial Services Total	Resources		543	501	83	584	41	8%
				Treasury Management		Expenditure	40	40	0	40	0	
				Treasury Management		Income	(342)	(301)	0	(301)	41	
				Treasury Management Total	Resources		(302)	(261)	0	(261)	41	-14%
				Insurance		Expenditure	0	0	0	0	0	
				Insurance		Income	0	0	0	0	0	
				Insurance Total	Resources		0	0	0	0	0	
Corporate Costs				Expenditure	101	134	0	134	33			
Corporate Costs				Income	0	0	0	0	0			
Corporate Costs Total	Resources				101	134	0	134	33	33%		
Central Expenses				Expenditure	53	53	0	53	0			
Central Expenses				Income	0	0	0	0	0			
Central Expenses Total	Resources				53	53	0	53	0	0%		
Human Resources		Expenditure	194	194	0	194	0					
Human Resources		Income	0	0	0	0	0					
Human Resources Total	Resources		194	194	0	194	0	0%				
Staff Development		Expenditure	54	54	50	104	50					
Staff Development		Income	0	0	0	0	0					
Staff Development Total	Resources		54	54	50	104	50	93%				

Directorates	Budget Holder Responsibility	Service Description	Portfolio	Expenditure / Income	Revised Budget 2021/22	Base Budget 22/23	Priorities	Proposed Budget 2022/23	Movement	Movement	
					£'000	£'000	£'000	£'000	£'000	%	
Chief Executive Directorate	Chief Executive Directorate Ass Dir Legal & Democratic Services	Chief Executive		Expenditure	212	255	0	255	43		
		Committee and Member Costs		Expenditure	258	247	0	247	(11)		
		Committee and Member Costs		Income	0	0	0	0	0		
		Committee and Member Costs Total	Resources			258	247	0	247	(11)	-4%
		Legal Services		Expenditure	675	632	40	672	(3)		
		Legal Services		Income	(8)	(8)	0	(8)	0		
		Legal Services Total	Resources			667	624	40	664	(3)	0%
		Elections		Expenditure	22	23	0	23	1		
		Elections		Income	0	0	0	0	0		
		Elections Total	Resources			22	23	0	23	1	5%
		Register of Electors		Expenditure	75	76	0	76	1		
		Register of Electors		Income	(2)	(2)	0	(2)	0		
		Register of Electors Total	Resources			73	74	0	74	1	1%
		Civic Duties		Expenditure	4	4	0	4	0		
		Civic Duties		Income	0	0	0	0	0		
	Civic Duties Total	Leader			4	4	0	4	0	0%	
	Licensing		Expenditure	17	17	0	17	0			
	Licensing		Income	(119)	(119)	0	(119)	0			
	Licensing Total	Resources			(102)	(102)	0	(102)	0	0%	
	Corporate Costs		Expenditure	13	13	0	13	0			
	Corporate Costs		Income	0	0	0	0	0			
	Corporate Costs Total	Resources			13	13	0	13	0	0%	
	Member Development & Training		Expenditure	4	4	0	4	0			
	Member Development & Training		Income	0	0	0	0	0			
	Member Development & Training Total	Resources			4	4	0	4	0	0%	
	Ass Dir Customers & Performance	Central Expenses		Expenditure	69	70	0	70	1		
		Central Expenses		Income	0	0	0	0	0		
		Central Expenses Total	Resources			69	70	0	70	1	1%
		Benefits		Expenditure	6,740	6,740	0	6,740	0		
		Benefits		Income	(6,836)	(6,839)	0	(6,839)	(3)		
Benefits Total		Resources			(96)	(99)	0	(99)	(3)	3%	
Council Tax Benefits			Expenditure	6	6	0	6	0			
Council Tax Benefits			Income	(43)	(43)	0	(43)	0			
Council Tax Benefits Total		Resources			(37)	(37)	0	(37)	0	0%	
Revenue & Benefits			Expenditure	872	782	0	782	(90)			
Revenue & Benefits			Income	0	0	0	0	0			
Revenue & Benefits Total		Resources			872	782	0	782	(90)	-10%	
Communications Services			Expenditure	12	11	0	11	(1)			
Communications Services			Income	0	0	0	0	0			
Communications Services Total		Leader			12	11	0	11	(1)	-8%	
Collection of Local Taxation		Expenditure	21	30	0	30	9				
Collection of Local Taxation		Income	(176)	(176)	0	(176)	0				
Collection of Local Taxation Total	Resources			(155)	(146)	0	(146)	9	-6%		
Discretionary Housing Payment		Expenditure	0	0	0	0	0				
Discretionary Housing Payment		Income	0	0	0	0	0				
Discretionary Housing Payment Total	Resources			0	0	0	0	0			
One Eden Programme		Expenditure	(749)	0	0	0	749				
One Eden Programme		Income	0	0	0	0	0				
One Eden Programme Total	Resources			(749)	0	0	0	749	-100%		
Universal Credit		Expenditure	12	0	0	0	(12)				
Universal Credit		Income	(12)	0	0	0	12				
Universal Credit Total	Resources			0	0	0	0	0			

Directorates	Budget Holder Responsibility	Service Description	Portfolio	Expenditure / Income	Revised Budget 2021/22	Base Budget 22/23	Priorities	Proposed Budget 2022/23	Movement	Movement		
					£'000	£'000	£'000	£'000	£'000	%		
Chief Executive Directorate	Chief Executive Directorate	Chief Executive		Expenditure	212	255	0	255	43			
		Tourist Information Centres		Expenditure	24	27	0	27	3			
		Tourist Information Centres		Income	(12)	(9)	0	(9)	3			
		Tourist Information Centres Total	Economy & Enterprise		12	18	0	18	6	50%		
		Corporate Services		Expenditure	678	683	0	683	5			
		Corporate Services		Income	(27)	(28)	0	(28)	(1)			
		Corporate Services Total	Resources		651	655	0	655	4	1%		
		IT Services	Information Technology	Information Technology		Expenditure	638	636	25	661	23	
				Information Technology		Income	(23)	(50)	0	(50)	(27)	
				Information Technology Total	Resources		615	586	25	611	(4)	-1%
				Corporate Costs		Expenditure	86	86	0	86	0	
				Corporate Costs		Income	0	0	0	0	0	
		Corporate Costs Total	Resources		86	86	0	86	0	0%		
		RESOURCES DIRECTORATE TOTAL					2,815	3,585	198	3,783	968	
Deputy Chief Executive Directorate	Deputy Chief Executive	Deputy Chief Executive		Expenditure	184	184	0	184	0			
		Deputy Chief Executive		Income	0	0	0	0	0			
		Director of People & Place Total	Leader		184	184	0	184	0	0%		
		Heart of Cumbria		Expenditure	0	91	0	91	91			
		Heart of Cumbria		Income	0	(312)	0	(312)	(312)			
		Heart of Cumbria Total	Economy & Enterprise		0	(221)	0	(221)	(221)			
		Ass Dir Communities	Animal Licensing	Animal Licensing		Expenditure	2	2	0	2	0	
				Animal Licensing		Income	(7)	(7)	0	(7)	0	
				Animal Licensing Total	Housing and Health		(5)	(5)	0	(5)	0	0%
				Arts and Leisure		Expenditure	180	131	235	366	186	
				Arts and Leisure		Income	(15)	(4)	0	(4)	11	
				Arts and Leisure Total	Communities		165	127	235	362	197	119%
				Community Development & Engagement		Expenditure	164	242	0	242	78	
				Community Development & Engagement		Income	0	0	0	0	0	
				Community Development & Engagement Total	Communities		164	242	0	242	78	48%
				Community Wardens		Expenditure	26	28	0	28	2	
		Community Wardens		Income	(2)	(3)	0	(3)	(1)			
		Community Wardens Total	Services / Housing and Health		24	25	0	25	1	4%		
		Eden Leisure Centre & Appleby Swimming P		Expenditure	718	477	0	477	(241)			
		Eden Leisure Centre & Appleby Swimming P		Income	(24)	(22)	0	(22)	2			
		Eden Leisure Centre & Appleby Swimming P Total	Communities		694	455	0	455	(239)	-34%		
		Environmental Services		Expenditure	1,317	1,242	0	1,242	(75)			
		Environmental Services		Income	0	0	0	0	0			
Environmental Services Total	Housing and Health		1,317	1,242	0	1,242	(75)	-6%				
Food Safety		Expenditure	4	4	0	4	0					
Food Safety		Income	0	0	0	0	0					
Food Safety Total	Housing and Health		4	4	0	4	0	0%				
Health & Safety		Expenditure	0	0	0	0	0					
Health & Safety		Income	0	0	0	0	0					
Health & Safety Total	Housing and Health		0	0	0	0	0					
Home Improvement Agency		Expenditure	117	213	0	213	96					
Home Improvement Agency		Income	(117)	(213)	0	(213)	(96)					
Home Improvement Agency Total	Green Growth / Housing and Health		0	0	0	0	0					

Directorates	Budget Holder Responsibility	Service Description	Portfolio	Expenditure / Income	Revised Budget 2021/22	Base Budget 22/23	Priorities	Proposed Budget 2022/23	Movement	Movement
					£'000	£'000	£'000	£'000	£'000	%
Chief Executive Directorate	Chief Executive Directorate	Chief Executive		Expenditure	212	255	0	255	43	
		Homelessness		Expenditure	553	484	0	484	(69)	
		Homelessness		Income	(122)	(165)	0	(165)	(43)	
		Homelessness Total	Housing and Health		431	319	0	319	(112)	-26%
		Housing Delivery		Expenditure	137	26	0	26	(111)	
		Housing Delivery		Income	(225)	0	0	0	225	
		Housing Delivery Total	Housing and Health		(88)	26	0	26	114	-130%
		Housing Standards		Expenditure	1	1	0	1	0	
		Housing Standards		Income	(1)	(1)	0	(1)	0	
		Housing Standards Total	Housing and Health		0	0	0	0	0	
		Investigation Of Nuisances		Expenditure	2	2	0	2	0	
		Investigation Of Nuisances		Income	(2)	(8)	0	(8)	(6)	
		Investigation Of Nuisances Total	Housing and Health		0	(6)	0	(6)	(6)	
		Museum		Expenditure	39	35	0	35	(4)	
		Museum		Income	(1)	0	0	0	1	
		Museum Total	Communities		38	35	0	35	(3)	-8%
		Other Environmental Health		Expenditure	5	5	0	5	0	
		Other Environmental Health		Income	(4)	(2)	0	(2)	2	
		Other Environmental Health Total	Housing and Health		1	3	0	3	2	200%
		Pest Control		Expenditure	12	13	0	13	1	
		Pest Control		Income	0	0	0	0	0	
		Pest Control Total	Housing and Health / Services		12	13	0	13	1	8%
		Pollution Control		Expenditure	7	7	0	7	0	
		Pollution Control		Income	(17)	(19)	0	(19)	(2)	
		Pollution Control Total	Housing and Health		(10)	(12)	0	(12)	(2)	20%
		Queens Platinum Jubilee 2022		Expenditure	0	0	20	20	20	
		Queens Platinum Jubilee 2022		Income	0	0	0	0	0	
Pollution Control Total	Communities		0	0	20	20	20			
Water Sampling		Expenditure	23	23	0	23	0			
Water Sampling		Income	(32)	(32)	0	(32)	0			
Water Sampling Total	Housing and Health		(9)	(9)	0	(9)	0	0%		
Ass Dir Delivery	Ass Dir Delivery	Administrative Buildings		Expenditure	337	393	40	433	96	
		Administrative Buildings		Income	0	0	0	0	0	
		Administrative Buildings Total	Resources		337	393	40	433	96	28%
		Appleby Fair		Expenditure	35	37	0	37	2	
		Appleby Fair		Income	(1)	(1)	0	(1)	0	
		Appleby Fair Total	Services		34	36	0	36	2	6%
		Cemeteries		Expenditure	132	135	0	135	3	
		Cemeteries		Income	(109)	(109)	0	(109)	0	
		Cemeteries Total	Services		23	26	0	26	3	13%
		Central Expenses		Expenditure	22	22	0	22	0	
		Central Expenses		Income	0	0	0	0	0	
		Central Expenses Total	Services		22	22	0	22	0	0%
		Corporate Costs		Expenditure	108	33	0	33	(75)	
		Corporate Costs		Income	0	0	0	0	0	
		Corporate Costs Total	Services		108	33	0	33	(75)	-69%
Closed Church Yards		Expenditure	25	26	0	26	1			
Closed Church Yards		Income	0	0	0	0	0			
Closed Church Yards Total	Services		25	26	0	26	1	4%		
Emergency Planning and Works		Expenditure	33	35	0	35	2			
Emergency Planning and Works		Income	0	0	0	0	0			
Emergency Planning and Works Total	Resources		33	35	0	35	2	6%		

Directorates	Budget Holder Responsibility	Service Description	Portfolio	Expenditure / Income	Revised Budget 2021/22	Base Budget 22/23	Priorities	Proposed Budget 2022/23	Movement	Movement		
					£'000	£'000	£'000	£'000	£'000	%		
Chief Executive Directorate	Chief Executive Directorate	Chief Executive		Expenditure	212	255	0	255	43			
		Footway Lighting		Expenditure	137	150	0	150	13			
		Footway Lighting		Income	(36)	(36)	0	(36)	0			
				Footway Lighting Total	Services		101	114	0	114	13	13%
		Health & Safety		Expenditure	0	0	0	0	0	0		
		Health & Safety		Income	0	0	0	0	0	0		
				Health & Safety Total	Services		0	0	0	0	0	
		Industrial Estates		Expenditure	11	11	0	11	0			
		Industrial Estates		Income	(121)	(121)	0	(121)	0			
				Industrial Estates Total	Resources		(110)	(110)	0	(110)	0	0%
		Land Management		Expenditure	157	151	0	151	(6)			
		Land Management		Income	(794)	(960)	0	(960)	(166)			
				Land Management Total	Resources		(637)	(809)	0	(809)	(172)	27%
		Low Carbon Initiatives		Expenditure	0	0	0	0	0	0		
		Low Carbon Initiatives		Income	0	0	0	0	0	0		
				Low Carbon Initiatives Total	Green Growth		0	0	0	0	0	
		Parks and Open Spaces		Expenditure	373	339	50	389	16			
		Parks and Open Spaces		Income	(32)	(32)	0	(32)	0			
				Parks and Open Spaces Total	Communities		341	307	50	357	16	5%
		Provision of Amenities		Expenditure	13	13	0	13	0			
		Provision of Amenities		Income	(5)	(5)	0	(5)	0			
				Provision of Amenities Total	Services		8	8	0	8	0	0%
		Public Conveniences		Expenditure	204	155	0	155	(49)			
		Public Conveniences		Income	0	0	0	0	0			
				Public Conveniences Total	Services		204	155	0	155	(49)	-24%
		Recycling		Expenditure	1,026	1,064	0	1,064	38			
		Recycling		Income	(721)	(713)	0	(713)	8			
				Recycling Total	Services		305	351	0	351	46	15%
		Refuse Collection		Expenditure	891	913	0	913	22			
		Refuse Collection		Income	(30)	(36)	0	(36)	(6)			
		Refuse Collection Total	Services		861	877	0	877	16	2%		
Street Cleaning		Expenditure	325	318	0	318	(7)					
Street Cleaning		Income	28	(9)	0	(9)	(37)					
		Street Cleaning Total	Services		353	309	0	309	(44)	-12%		
Sustainability		Expenditure	62	32	100	132	70					
Sustainability		Income	0	0	0	0	0					
		Sustainability Total	Leader		62	32	100	132	70	113%		
Sustainability Fund - COP26		Expenditure	40	160	0	160	120					
Sustainability Fund - COP26		Income	0	0	0	0	0					
		Sustainability Fund - COP26 Total	Leader		40	160	0	160	120	300%		
Technical Services		Expenditure	725	665	40	705	(20)					
Technical Services		Income	0	0	0	0	0					
		Technical Services Total	Services		725	665	40	705	(20)	-3%		
Vehicle Parking Off Street		Expenditure	150	149	0	149	(1)					
Vehicle Parking Off Street		Income	(333)	(334)	0	(334)	(1)					
		Vehicle Parking Off Street Total	Services		(183)	(185)	0	(185)	(2)	1%		
Building Regulations	Ass Dir Development	Expenditure	312	312	0	312	0					
Building Regulations			Income	(251)	(256)	0	(256)	(5)				
			Building Regulations Total	Leader		61	56	0	56	(5)	-8%	
Commercial Services			Expenditure	427	227	277	504	77				
Commercial Services			Income	0	0	0	0	0				
			Commercial Services Total	Economy & Enterprise		427	227	277	504	77	18%	
Development Control & Enforcement		Expenditure	19	19	0	19	0					

Directorates	Budget Holder Responsibility	Service Description	Portfolio	Expenditure / Income	Revised Budget 2021/22	Base Budget 22/23	Priorities	Proposed Budget 2022/23	Movement	Movement		
					£'000	£'000	£'000	£'000	£'000	%		
Chief Executive Directorate	Chief Executive Directorate	Chief Executive		Expenditure	212	255	0	255	43			
		Development Control & Enforcement		Income	(482)	(480)	0	(480)	2			
				Development Control & Enforcement Total	Leader		(463)	(461)	0	(461)	2	0%
		Economic Development and Promotion		Expenditure	334	912	0	912	578			
		Economic Development and Promotion		Income	(24)	0	0	0	24			
				Economic Development and Promotion Total	Economy & Enterprise		310	912	0	912	602	194%
		Environmental Enhancement & Conservation		Expenditure	40	43	0	43	3			
		Environmental Enhancement & Conservation		Income	0	0	0	0	0			
				Environmental Enhancement & Conservation Total	Green Growth		40	43	0	43	3	8%
		Land Charges		Expenditure	28	23	0	23	(5)			
		Land Charges		Income	(90)	(90)	0	(90)	0			
				Land Charges Total	Resources		(62)	(67)	0	(67)	(5)	8%
		Local Plans & Policy		Expenditure	324	293	50	343	19			
		Local Plans & Policy		Income	(10)	(10)	0	(10)	0			
				Local Plans & Policy Total	Leader		314	283	50	333	19	6%
		Markets		Expenditure	14	13	0	13	(1)			
		Markets		Income	(2)	(3)	0	(3)	(1)			
				Markets Total	Economy & Enterprise		12	10	0	10	(2)	-17%
		Other Building Control		Expenditure	4	4	0	4	0			
		Other Building Control		Income	(3)	(3)	0	(3)	0			
				Other Building Control Total	Green Growth		1	1	0	1	0	0%
		Planning Services		Expenditure	687	684	190	874	187			
		Planning Services		Income	0	0	0	0	0			
				Planning Services Total	Leader		687	684	190	874	187	27%
		Tourism Promotion		Expenditure	50	50	0	50	0			
		Tourism Promotion		Income	(2)	(2)	0	(2)	0			
				Tourism Promotion Total	Economy & Enterprise		48	48	0	48	0	0%
Town Centres		Expenditure	121	71	0	71	(50)					
Town Centres		Income	0	0	0	0	0					
		Town Centres Total	Economy & Enterprise		121	71	0	71	(50)	-41%		
DEPUTY CHIEF EXECUTIVE DIRECTORATE TOTAL					7,070	6,674	1,002	7,676	606			
GRAND TOTAL					10,088	12,165	1,200	13,365	3,277			

Capital Programme 2022/23 - 2025/26

Description	Owner	Original 2021/22	Q3 Slippage B/Fwd	Q4 Slippage B/Fwd	Adjustme nts	Revised 2021/22	Budget 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
IT Renewals	Ben Wright	70		53		123	57				180
Development Management System	Fergus McMorrow	66	90		(116)	40	116				156
Eden Business Park Ph1	Laura Cadman		59			59					59
Castle Park Vision	Laura Cadman		187		(187)	0	187				187
Parish Footway Lighting	Laura Cadman		359	45	(404)	0	50				50
Leisure Centre Equipment & Maintenance	Robert Docherty	2	246	216		464					464
Single Site - Voreda House	Les Clark	856	500	777	(883)	1,250	1,863				3,113
Funding - Heart of Cumbria Properties	Paul Sutton	1,296	0	440	(797)	939	207	700	290		2,136
Discretionary Renovation Grants	Robert Docherty		100		(100)	0	100				100
Disabled Facility Grants	Robert Docherty	440	124	161	(200)	525	640	440	440	440	2,485
Housing Innovation Fund	Robert Docherty		358		(358)	0					0
Newton Road Affordable Housing	Robert Docherty			144		144					144
Green Business Support Fund	Laura Cadman	100		150	(150)	100	100	100	100		400
Green Homes Grant Extension	Robert Docherty				150	150					150
Green Home Exemplar	Robert Docherty				50	50	400				450
Capital Grant - Frenchfield Stadium Improvements	Robert Docherty				100	100					100
EV Charging Points - Appleby	Laura Cadman				113	113					113
Town Hall Redevelopment	Laura Cadman					0	750				750
King George V Field Appleby	Robert Docherty					0	54				54
Carbon Reduction Scheme	Laura Cadman	250				250					250
Total		3,930	2,173	1,986	(3,782)	4,307	4,524	1,240	830	440	11,341

FUNDING	Original 2021/22	Q3 Slippage B/Fwd	Q4 Slippage B/Fwd	Adjustme nts	Revised 2021/22	Budget 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital Receipts	2	764	261	(291)	736	1,130	0	0	0	1,866
Direct Revenue/Reserves	1,982	785	787	(1,958)	1,596	721	800	390	0	3,507
Capital Grants	1,296	124	161	(200)	1,381	640	440	440	440	3,341
Borrowing	650	500	777	(1,333)	594	2,033	0	0	0	2,627
Total	3,930	2,173	1,986	(3,782)	4,307	4,524	1,240	830	440	11,341

MEDIUM TERM FINANCIAL PLAN 2021 - 2026

	2021/22 Revised	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
EXPENDITURE	£000	£000	£000	£000	£000
Base Budget	10,231	12,162	13,362	9,702	9,893
Unavoidable Pressures					
Salaries & Pensions			90	91	93
Contract Inflationary Pressures			100	100	100
Other Budgetary Movements					
LGR Costs			(1,600)		
Total Budget Pressures	0	0	(1,410)	191	193
One Off Growth					
Corporate Plan Growth			(1,050)		
Corporate Priorities 22/23		1,200	(1,200)		
Total Budget Changes	0	1,200	(2,250)	0	0
NET COST OF SERVICES	10,231	13,362	9,702	9,893	10,086
Budget Adjustments & Use of Reserves					
Revenue Contribution to Capital	1,596	721	800	390	0
Capital Accounting Adjustments	(507)	(507)	(507)	(507)	(507)
Transfer to / (from) General Reserves	84	(1,067)	67	(16)	(109)
Transfer to / (from) Earmarked Reserves	(2,213)	(3,601)	(824)	(390)	(100)
NET BUDGET REQUIREMENT	9,191	8,908	9,238	9,370	9,370

APPENDIX 3 ctd

	2021/22 Revised	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2024/25 Forecast
	£000	£000	£000	£000	£000
FUNDING					
Business Rates Funding	(3,555)	(3,555)	(3,555)	(3,555)	(3,555)
Rural Services Delivery Grant	(711)	(711)	(711)	(711)	(711)
New Homes Bonus	(232)	(386)	(386)	(386)	(386)
Lower Tier Services Grant	(263)	(77)	(77)	(77)	(77)
Other Government Grants (Covid)	(261)	0	0	0	0
Other Government Grants (Services)		(12)	(12)	(12)	(12)
Collection Fund Deficit / (Surplus)	0	0	0	0	0
Transfer to Parish Councils - CTRS	15	15	15	15	15
Future Government Funding	0	0	0	0	0
	(5,007)	(4,726)	(4,726)	(4,726)	(4,726)
Council Tax Income					
Baseline	(4,184)	(4,182)	(4,382)	(4,513)	(4,513)
Taxbase increase	0		(24)	(24)	(24)
Council Tax Increase @ £5	0	0	(106)	(107)	(107)
Collection Fund Deficit / (Surplus)	0	0	0	0	0
TOTAL INCOME	(9,191)	(8,908)	(9,238)	(9,370)	(9,370)
FUNDING GAP / (SURPLUS)	0	0	0	0	0

General Fund Balance					
Balance B/Fwd	3,024	3,108	2,041	2,108	2,092
Net Transfers In Year	84	(1,067)	67	(16)	(109)
Balance C/Fwd	3,108	2,041	2,108	2,092	1,983

Earmarked Reserves					
Balance B/Fwd	10,247	8,034	4,433	3,609	3,219
Net Transfers In Year	(2,213)	(3,601)	(824)	(390)	(100)
Balance C/Fwd	8,034	4,433	3,609	3,219	3,119

Total Revenue Reserves					
Balance B/Fwd	13,271	11,142	6,474	5,717	5,311
Net Transfers In Year	(2,129)	(4,668)	(757)	(406)	(209)
Balance C/Fwd	11,142	6,474	5,717	5,311	5,102

GF BALANCE AND EARMARKED RESERVES

Revenue Reserves	Balance	Budget		Balance	Budget		Balance	Budget		Balance	Budget		Balance	Budget		Balance
	31/03/2021	Out	In	31/03/2022	Out	In	31/03/2023	Out	In	31/03/2024	Out	In	31/03/2025	Out	In	31/03/2026
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
GF Balance	3,024	0	84	3,108	(1,161)	94	2,041	0	67	2,108	(16)	0	2,092	(109)	0	1,983
Existing Reserves																
Renewals Fund	0	0		0	0		0			0			0			0
IT Renewals Fund	0	0		0	0		0			0			0			0
Capital Funding	1,348	(513)		835	(514)		321	(100)		221	(100)		121	(100)		21
Homelessness	92			92			92			92			92			92
Repossession	30			30			30			30			30			30
Building Regulations	73			73			73			73			73			73
Community Fund	146			146			146			146			146			146
Affordable Housing Fund	1,314	(144)		1,170			1,170			1,170			1,170			1,170
BRRS Reserve	93			93			93			93			93			93
Community Housing Fund	664			664			664			664			664			664
Penrith Vision	45			45	(21)		24	(24)		0			0			0
Appleby HAZ	4			4			4			4			4			4
Custom, Brown Field, Neighbourhood Plans	84			84			84			84			84			84
Transformation Reserve	450			450	(450)		0			0			0			0
Place Shaping Reserve	0			0			0			0			0			0
Energy Efficiency Reserve	37			37			37			37			37			37
Heat Networks Reserve	86			86			86			86			86			86
Signature Fund	0			0			0			0			0			0
Heart of Cumbria Loan	2,136	(939)		1,197	(207)		990	(700)		290	(290)		0			0
Eden Business Park Ph2	48			48			48			48			48			48
Employment Sites Reserve	16			16			16			16			16			16
Eden Local Plan Reserve	243			243	(59)	100	284			284			284			284
Leisure Maintenance/Repairs	0			0			0			0			0			0
Business Growth Pilot	19			19			19			19			19			19
Devolution public conveniences	24			24			24			24			24			24
Outturn / Savings Target	0	0		0			0			0			0			0
Revenue Scheme Slippage	500	(500)		0			0			0			0			0
Corporate Priorities	1,167	(117)		1,050	(2,250)	1,200	0			0			0			0
LGR Implementation Reserve	1,600			1,600	(1,600)		0			0			0			0
District Elections Reserve	0			0			0			0			0			0
Leisure Management Reserve	0			0		200	200			200			200			200
Others	28			28			28			28			28			28
Total	10,247	(2,213)	0	8,034	(5,101)	1,500	4,433	(824)	0	3,609	(390)	0	3,219	(100)	0	3,119

**Report from Finance Scrutiny to Cabinet
Budget Proposals 2022/23**

A. Overview

Finance Scrutiny set up a Task and Finish Group to scrutinise the budget and budget process for 2022/23.

B. Feedback

B1 Finance Scrutiny Committee met on Tuesday 8th February to review the feedback from the Task and Finish Group. They determined to present the summary findings in Section 3 of this appendix to Cabinet along with the following addition:

B2 Recommendation that the effect of the proposed Structural Change Order be included in the budget report to aid understanding of the effect of Local Government Reorganisation in 2022/23.

C. Summary of Scrutiny applied

Session 1 – 11 January 2022

1.1 The Task and Finish group met to confirm the areas that they would like to scrutinise from the proposed 22/23 budget. Officers and portfolio holders were then invited to 2 sessions to answer questions about these areas.

Session 2 – 1 February 2022

In attendance: Councillors Phil Dew (PD), William Patterson (WP), Gordon Nicolson (GN), Neil McCall (NM), David Ryland (DR),

Portfolio Holders: Mary Robinson (MR) and Mark Rudhall (MRud)

Officers: Les Clark, Paul Sutton, Marianne Bastille, Fergus McMorrow, Laura Cadman, Mike Poulter, Greg Macdonald

2.1 Corporate Priorities: Economic Development Framework

2.1.1 In November 2021, the Council approved spend of £760k in 2022/23 on the Economic Development Framework

Questions were asked by Councillors about the following key areas:

2.1.2 Continuity – What happens after 31 March 2023? Questions and answers provided the following information: The focus is on setting a framework up which the new Unitary can continue easily if they wish until they can develop their own framework. The work is aimed at enabling/facilitating rather than subsidising so benefit will not be lost if the funding does not continue. Only amounts contractually committed to by 31 March 2023 will become a

commitment of the new Authority. The shadow authority is expected to seek help from the legacy authorities in setting budgets.

- 2.1.3 Whole of Eden – There appears to be a focus on Penrith, is the rest of the area being considered as part of the framework. Response: Part of the plan is to work across Area Planning Groups Already talking to partners in those areas about scope to apply for funds as a part of the inspiring Eden Programme. The projects will link with the Borderlands place plan.

2.2 Climate Change & Sustainability Fund

- 2.2.1 In November 2021, Council approved a fund of £160,000 for 22/23 in relation to COP26 sustainability. In the proposed budget a further £100k has been allocated to Zero-carbon Biodiversity initiatives.

Scrutiny was applied in the following areas:

- 2.2.2 Clarification that the bio-diversity allocation is for internal costs, whereas the COP26 Fund is for applications for grants.
- 2.2.3 Further approvals for spend of the bio-diversity allocation. Response: There is a notional allocation now based on estimates with a more detailed plan being worked on and approved by the relevant portfolio holders and Zero-carbon working group (subject to virements limits in the constitution). A reminder of the virements limits is to be circulated to the task and finish group members.
- 2.2.4 Size of the bio-diversity allocation. It was noted by Cllrs that the amount of the pot was low considering the importance and amount of work involved in bio-diversity. Response: the size of the allocation has been considered in relation to the overall budget and in relation to the resources available to deliver the outcomes.

2.3 One Eden Transformation Programme

- 2.3.1 Included in the 22/23 budget are £3,113k within the capital programme (£1,250k to be spent in 21/22 and £1,863 in 22/23. A further £40k of revenue budget is proposed to manage the costs of moving between the sites.

Cllrs were directed towards the paper on the Single site which was presented at Cabinet in October 2021

Scrutiny was applied in the following areas:

- 2.3.2 It was confirmed that the Salix funding was £862k (the amount in the cabinet paper had been rounded).
- 2.3.3 Mike Poulter, the project manager, confirmed that the estimated hand over date was October/November 2022
- 2.3.4 It was questioned whether the plans for the Town Hall had been linked to the Place Plan and it was confirmed that they complement one another.

2.4 Assurances that the Budget is 'Robust' and in line with the Corporate Plan

2.4.1 It was presented that the budget process had included:

- Zero based in consultation with Managers
- Reviewed by finance staff
- Growth requests from ADs and Managers considered initially by CLT
- Small requests to come from recurring underspends
- Larger requests and corporate priorities considered by Executive in December
- Draft budget prepared and approved by Exec
- Consultation Process
- Further Checks by ADs and Managers

Scrutiny:

2.4.2 Scrutiny considered the process and asked if officers had engaged with the process and it was confirmed that they had.

2.4.3 It was noted that 2 councillors (Cllr Robinson and Cllr Rudhall had attended as Portfolio holders to answer any questions about policy or priorities.

2.4.4 Cllr Robinson highlighted that the focus of 22/23 would be about leaving a legacy that could be transferred to the new Unitary whilst being considerate of the resources available in relation to staff.

2.4.5 Cllr Rudhall commented on the Green Portfolio items to identify that resources had been low this year but that this was being rectified to allow the plans to be implemented in 22/23.

2.4.6 Cllr Dew concluded that it was important that the plans for 22/23 were deliverable.

Session 3 – 3 February 2022

In attendance:

In attendance: Councillors Phil Dew (PD), William Patterson (WP), Gordon Nicolson (GN), Neil McCall (NM), David Ryland (DR), Peter Baker (PB)

Portfolio Holders: Virginia Taylor (VT)

Officers: Les Clark, Paul Sutton, Marianne Bastille, Fergus McMorrow, Robert Docherty

3.1 Development Management – Resources

3.1.1 The proposed budget includes in the Corporate Priorities £431k in relation to resources for Development Management (Planning), in relation to resourcing the recommendations from the PAS review, challenges delivering green priorities and resourcing challenges.

3.1.2 Cllrs asked questions of officers about whether the requested budget would put planning back on track and ease the backlog. Officers responded that the budget took in the current market conditions but that it was likely it would still be a challenge to be fully resourced. Cllrs asked if sharing resources with other local councils had been considered. Officers responded to say yes but

that they had been unable to arrange this as the other councils were struggling with resource also.

- 3.1.3 The request for additional resource was for one year only, however this should allow us to hand over to the Unitary in a strong position.

3.2 Resources Directorate – Resources

- 3.2.1 The proposed budget includes £163k in relation to resourcing within the Resources Directorate. This included finance, licencing and Health and Safety.
- 3.2.1 Cllrs asked if any of the resources had already been retained and Officers responded that in the case of an Accountancy Manager, we had a contractor who has been completing our last 2 sets of accounts that we hoped to retain. The other resources are yet to be sourced. They will be for a period of 1 year only, with resources then being shared within the new Unitary.
- 3.2.2 The Cllrs raised the issue of the market place and concerns that the situation was likely to get worse with staffing and asked about contingencies. Officers responded to say that although no contingency had been added to the budget, the proposed budget still left healthy reserves that could be called if required. Where resource is stretched due to Local Government Reorganisation (LGR), there will be the chance to reclaim resource costs from the LGR fund.

3.3 Cultural Development Initiative

- 3.3.1 The proposed budget includes £235k for Cultural Development Initiatives. This is proposed to be placed in a reserve until a detailed proposal is approved by Cabinet.
- 3.3.2 Cllrs asked how the £235k budget had been determined as no split of the spend had been provided. Officers responded that work had been done to look at and develop proposals but was still in draft form. The proposal is that the funding would be put in a reserve for draw down when the level of detail can be ascertained and approved.
- 3.3.3 Cllrs queried how will we ensure the sustainability of projects or organisations that we will support and encouraged the Exec & Officers for events that will become self-perpetuating rather than a programme that subsidises organisations that falls off the cliff at the end of the year since we have created dependents. Officers responded that One of the key rationale we have in creating a fund organisations can draw on is that we don't have the necessary expertise and these organisations can pull from more funding than we can. We are looking at how we can foster arts and culture framework in the District, a great part of that is making them as strong as sustainable as we can before we go into LGR.
- 3.3.4 It was noted that of the 5 Regularly Funded Organisations, only 2 currently have SLAs where the council has an arranged commitment to fund into 2022/23.

3.4 ICT

- 3.4.1 ICT is provided via a shared service with SLDC. The base budget includes funding costs for this and the corporate priorities include a further £25k in relation to Microsoft licences increased costs due to systems that need upgrading. Included in the capital programme is £57k.
- 3.4.2 Cllrs queried the amount included in the base ICT budget and the split between Capital and Revenue. Officers responded that they were still analysing what ICT spend could be capital and which would be revenue, if this resulted in any change in the split then this would be made clear in the report to Council.