



Department for Levelling Up,
Housing & Communities

Kemi Badenoch MP

*Minister of State for Equalities and Levelling Up
Communities*

Mayor Mike Starkie
Copeland Borough Council

**Department for Levelling Up, Housing and
Communities**

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8 December 2021

Dear Mayor Starkie,

I am writing to inform you that I have today published the External Assurance Review of Copeland Borough Council carried out by the Chartered Institute of Public Finance Accountants (CIPFA).

I am grateful for your willingness to engage openly with the review team, and the assistance of your officers in providing information to CIPFA to support the review and in the Exceptional Financial Support process more generally.

The external assurance reviews were carried out in all the councils that received or requested Exceptional Financial Support, to provide a detailed assessment of each council's financial position and management, and to make recommendations on the actions necessary for the councils to ensure they are in a financially stable and sustainable position.

The report published today sets out some significant challenges and risks for Copeland Borough Council, including the council's ability to balance its financial position ahead of the planned local government reform in Cumbria. It makes a series of sensible recommendations for addressing these challenges, including improvements to financial oversight and governance, to which it is important that the Council responds accordingly.

I trust that the report and its findings will be helpful in focusing the Council on the activity and change that are needed, at both officer and member level, to lead to sustainable change.

The external assurance review and a plan to respond to address any recommendations was one of the conditions of our agreement to provide the council with exceptional financial support. As such, I would like assurance that the Council accepts the findings.

Your response to the review findings will help to inform my final decision on capitalisation with respect to the financial year 2021/22, and any associated conditions. My officials will work closely with your council officers to consider your response, and to carry out the necessary due diligence to inform any decisions on capitalisation and conditions for 21/22.

As such, I would ask that you set out in writing, within the next month, the steps you are taking in the immediate and longer term to respond to the review and implement its recommendations.

Based on some of the key findings of the assurance review, I would expect your response and those discussions to include an appropriate focus on the following priorities:

- Confirming the precise level of support needed in 2021/22, and if you think the council will need further support in future years.
- Actions the Council plans to take to address any identified challenges or risks in relation to your position on borrowing, commercial investment, and capital plans.
- Steps you will be taking to strengthen your overall financial governance
- Actions the Council plans to take to ensure effective participation in the implementation of local government reorganisation and the creation of the new Cumberland unitary.
- Identifying any specific opportunities to generate capital receipts through asset sales, to avoid the need for ongoing borrowing under any agreed capitalisation.

I will also be considering the necessary arrangements for providing ongoing assurance on the effective implementation of any plans for improvement. My officials will be in touch with officers at the Councils shortly and will work with them to consider your plans for responding to the review.

Yours Sincerely,

A handwritten signature in black ink that reads "Kemi Badenoch". The signature is written in a cursive, flowing style.

Kemi Badenoch MP
**Minister of State for Equalities
and Levelling Up Communities**