

# Minutes

## Employee Partnership Forum

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Date: 10th February 2022

Time: 10am

Venue: Microsoft Teams Meeting

Present: Councillor David Mayer, Sarah Morgan (Chief Education Officer), Jade Davies (Health and Safety Manager), Howard Mason (Senior HR and OD Business Partner), Rachael Davies (HR and OD Manager), Kevin Howells (Senior HR and OD Business Partner), Craig Jenkins (NASUWT), John Griffiths (NEU), Peter Garland (UNISON), Richard Hughes (NAHT), Samantha Schanzer (Governance Support Officer), Steve Belcher (UNISON), Kirsty Plant (Senior HR and OD), Rowena Hayward (SW)

Apologies: Councillor Deborah Davies, Rhys Cornwall, Andy McDowall, Simon Linton, Mark Rowland, Debbie Scott

Non-attendance: Greig Churcher Joanne Gauden, Simon Lock

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## 6. 2022 Budget Proposals

### **Taken first due to timing constraints.**

The Assistant Head of Finance informed the forum that they were still dealing with the effects of the pandemic and the uncertainty of the future and economic recovery. The Assistant Head of Finance highlighted that the organisation was going through significant changes which had bearing on the capacity to deliver budget requirements. The Assistant Head of Finance highlighted that savings in the budget proposal were not as substantial as in previous years. The Assistant Head of Finance informed the forum that the provisional local government settlement had been received late in December but was a multi-year settlement. The Assistant Head of Finance confirmed that the Welsh Government would be ending the Hardship Fund which covered costs associated with the pandemic and losses of income, though these costs would not necessarily end with the Fund which presented a challenge when budgeting.

The Assistant Head of Finance noted that the Welsh Government's provisional settlement was a result of a better funding settlement from the UK Government. The Assistant Head of Finance noted there had been positive funding settlements across Welsh councils, and Newport had received the 4<sup>th</sup> highest funding settlement in Wales. The Assistant Head of Finance highlighted that a number of expectations were outlined in the accompanying letter from Welsh Government that the settlement

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would have to cover NI increases, Real Living Wage increases for care workers, pay deals and provision for Covid-19 costs. The Assistant Head of Finance informed the forum that council tax only made up 24% of Newport City Council's budget and its proposed increase was 3.7%.

The Assistant Head of Finance showed the forum the budgets as were sent out for consultation. The Assistant Head of Finance highlighted that there was a balance in hand when the consultation had begun, and Cabinet had debated this balance and would be considering consultation feedback. The Assistant Head of Finance informed the forum that over the next 2 years, there would be a balance in hand for 2023-4 and a small budget gap in 2024-5, but there were no new proposals sought for 2023-4 at this time.

The Assistant Head of Finance highlighted the main financial pressures to include pay and pension, inflationary pressures, increasing demand on schools and ALN, social care and a fast-growing population. The Assistant Head of Finance noted that the settlement would enable them to cover unavoidable pressures and provide budgetary scope and provision for early intervention posts, Real Living Wage and ALN funding, which are under discussion.

The Assistant Head of Finance informed the forum that the public consultation ended on the 11<sup>th</sup> of February 2022 and would go to Cabinet on the 18<sup>th</sup> of February 2022.

The Assistant Head of Finance informed the forum that the final settlement was due to be received on the 1<sup>st</sup> of March 2022 and would hopefully be approved at Full Council the same day. The Assistant Head of Finance was confident that there would be no material changes between the provisional and final budget.

### **Questions –**

The Unison representative noted that this was an encouraging financial report and asked what work was being done on revenue raising.

- The Assistant Head of Finance informed the forum that they made general assumptions regarding inflation, but Cabinet would review individual fee and charge proposals. The Assistant Head of Finance offered to provide specific proposals if required outside of the meeting.

The NAHT representative welcomed the good settlement from Welsh Government and its reflection in the proposals. The NAHT expressed gratitude for the settlement and for the ALN investment but was concerned whether the funding would be sufficient to cover the funding for that as it was a significant cost to schools. The NAHT representative asked whether it would be worth exploring further allocation of funds for ALN.

- The Assistant Head of Finance noted that there had been occasions where Welsh Government had provided in-year grant allocation to cover the difference between the average assumption and the actual pay award teachers received but that they would not be doing that this year. The Assistant Head of Finance highlighted that the letter from the Minister referenced rewarding staff with suitable pay and therefore they should expect a higher pay award than in previous years; they were currently working from the basis of 4% from September 2022-3. The Assistant Head of Finance highlighted that if higher than 4%, the council would have to look at how to bridge the difference. The Assistant Head of Finance noted that this was the

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same with non-teachers' pay. The Assistant Head of Finance informed the forum that there had been no confirmation of the 2021-22 pay award yet.

- The Assistant Head of Finance informed the forum that the intention of the settlement was to try and bridge the gap between historical funding for pupils with statements to bring it to a suitable level. The Assistant Head of Finance noted that this would cover roughly 80% of costs, which would then release some budget within schools that could be used in other areas. The Assistant Head of Finance reminded the forum that the ALN reforms were ongoing and would be moving to different funding basis.

The GMB representative asked whether services outsourced by Newport would have any increase to the commissioning process.

- The Assistant Head of Finance confirmed that where known about, it would've been as they generally took a view on increased cost of services by third parties. The Assistant Head of Finance noted that they were considered on an ongoing basis and that there were a number of negotiations to be had. The Assistant Head of Finance informed the forum that they were trying to decide an average provision for increase, and that at the moment, this was reflected by the cost for the Real Living Wage plus 3% general increase to cover costs of supplies etc. The Assistant Head of Finance noted that the average provision may be updated in the final Cabinet proposal but ultimately had to be agreed individually with providers, and that there were some regional aspects where alignment was required with other authorities in terms of uplift.

### **Date of Next Meeting:**

**10am on the 9<sup>th</sup> of June 2022**