

Newport City Council Budget Consultation 2022-23 Response from the Newport Fairness Commission February 2022

Authors:

Gideon Calder, Kate Haywood, Terry Price, Cllr Kate Thomas.

- This is our tenth annual response to the Newport City Council budget proposals.
- As previously, this response should not be taken as providing policy recommendations, but rather as facilitating critical reflection and dialogue around the Council's decisions and direction of travel.
- This report has been adapted from the format used in previous years. This is partly because the proposals themselves are somewhat different in nature.
 - Rather than rating each proposal, we have presented our commentary in more discursive form.
 - Because of the indication of a 'balance in hand', and ongoing work to identify appropriate budget choices, we will be looking to provide a second round of feedback later this year.
- In reading our comments in section 2, it will be helpful to refer to the Fairness Commission's **Principles of Fairness: Equity, Priority, Inclusion and Communication**. (See appendix.)

Key points

- An **investment-based budget** poses different questions regarding fairness from the more customary savings-based proposals. These are difficult to assess fully, because of the importance of considering areas not due to receive investment as well as those which will. Even so, we have identified fairness-related reasons to commend the investments made.
- As in previous years, there are substantial aspects of the proposals where there is **insufficient information to gauge the fairness of what is at stake**. This may be partly down to lack of relevant background details. It is often accentuated by the absence of Equality Impact Assessments.
- We will produce a **Stage 2 report** later in the year, looking specifically at the forthcoming Strategic Change Programme, and over-arching Equalities Impact Assessment.
- Our response closes with a **series of questions**, partly reflecting the points above. We will seek to pursue these during 2022, in dialogue with the Council and in our Stage 2 report.

1. Context

The context and content of the 2022/23 budget proposals – and this response – are distinctive for various reasons. For the first time since the Fairness Commission’s inception in 2012, the budget is focused chiefly on investments, rather than savings. These should be placed against a backdrop of years of heavy financial pressures faced by local authorities – and as we have noted repeatedly before, a corresponding depletion of aspects of the public realm. Added to this we have Newport’s fast-growing population, the still-unfolding implications of the UK’s exit from the European Union, and – very prominently – the unprecedented set of challenges arising from Covid-19. So on the one hand, there is more to spend than usual. On the other hand, there are especially large and urgent challenges to face.

We recognise too that various factors govern how the council spends money, such as public demand for services; pressures on the council from obligatory costs; and areas which allow savings to be made. After so many years of austerity, comparatively few of the services that any local authority provides would now be seen as anything other than essential. These services are either mandatory or their absence would create risk to population safety, cause dissatisfaction or lead to further disproportionate expenses to councils. Many of the changes are clearly linked to predetermined factors like wage and NI increases, bringing in the Real Living Wage, responding to demographic changes and so on. Some of the proposals contribute to the well-being of majority of the population, some are contributing improved outcomes for a specific demographic of the general population. Other investments may be expected to benefit the council by reducing the costs of particular essential services.

Our response here aims to recognise the particularity of this context, while also holding to our own ongoing criteria for assessing the fairness of Council decision-making. In the next section, we have identified a series of proposals which in our view have implications into our four principles of fairness: Equity, Priority, Inclusion and Communication. (See appendix for an explanation of these terms.)

2. Comments in relation to the four principles of fairness

	E	P	I	C
The proposal to raise Council Tax at a time of hikes in living costs etc. requires further justification and communication and this need is even greater given the better-than-expected settlement and investment rather than cuts to services in Newport. How might this be better explained? The risk is that citizens will not appreciate that this rise is still needed. Hearing that Newport has one of the lowest council taxes in Wales is insufficient given the harsh financial context increasing numbers of Newport citizens find themselves in. Reference to most houses in Newport being in bands A-C and the detail on the nominal rises in these categories is useful but presumably the extensive housing developments being built to attract people moving into Newport are not in bands A-C and may skew this picture?	●		●	●
Funding being used to increase wages for local authority staff (anticipated to be 4%) which have been set nationally or by independent bodies (councillor’s allowances). The council have been committed to	●			

seeing contracted companies in the independent or voluntary sector delivering social care services paying the Living Wage to their staff and the grant will cover this. The settlement is also being used to cover the increased costs of National Insurance announced by Westminster Government and the council's pension scheme deficit. Demographic: general population.				
The Safeguarding Hub investments are a welcomed investment and reflective of Fairness principles of equity, inclusion and priority.	●	●	●	
Some funding such as Welsh Government's recent Free School Meals announcement will introduce a new service and they will expect costs to be met from the settlement. Demographic: school-age young people/general population/disadvantaged families.	●	●		
It is evident that across the investment proposals both universal and targeted service are being considered and included.	●	●		
In relation to the additional funding to schools this appears to be being distributed universally with some specific funding for pupils who are statemented. It would be good to understand why a universal approach is being taken. It may be that additional funding per pupil is the simplest, and sensitive, way to allocate funds but do all schools face additional pressures? How might these pressures be relative, or differ? Given that the pandemic has effected some children, families, schools and communities disproportionately is the universal allocation of additional funding to all schools fair? What is the longer term plan given that this funding will not be sustained? What does this mean in real terms per school given that there is a 2.5 million gap in 2022/23 that presumably needs to be 'covered' by this new funding, reducing its impact.	●	●		
Shouldn't equality impact assessments still have been used to assess which services should have additional investment and which shouldn't? These shouldn't only be used as a defence or a justification: they can also be used in a strength based and explanatory way.	●	●		
The children and family services budget proposals read as good problems to have in relation to the necessity of greater investment in relation to, for example, increased numbers of care experienced young people receiving support/services at an older age. Although a future spike is predicted this appears modest given the reported increases in numbers of children and young people becoming involved in the care system.	●	●		

<p>In terms of the Hill Street project it may be worth considering whether the central colocation of vulnerably housed people at one accessible 'managed' site may lead to longer term improvements in terms of professional relationships, trust and related accessibility and take up of services.</p>	●	●	●	
<p>The proposals for this year's progressive Investments towards the Social Value Portal suggest the development of ethically based procurement. Demographic: General population.</p>		●		
<p>Despite the scale of disruption and demand put on the council over the last 2-years, it is notable that few investment proposals address disadvantage from the Emergency Measures. These effects as difficult to predict but the Hardship Fund which previously compensated the council for this, ends at the end of March 2022. GWICES huge increase in urgent referrals plus an 18-month backlog. Demographic: Disabled people/general population.</p>		●		
<p>Several measures make proposals which could be classed as broadly as safeguarding/improving life opportunities for children and young people. The Assessing and Supporting Vulnerable pupil funding, the Child Looked After (Educational Support (a statutory duty), When I'm Ready and Families in Crisis Support, Demographic: Young People/Disadvantage</p>		●		
<p>The SEN OOC proposal of funding in 24/25 represents investments having been previously made to save. There are further advantages of bringing this in-house, building young people's opportunities to connect with their home city from a safe environment. It's more economical than placement in the alternative, the private sector. Demographic: Young People/Disadvantage</p>		●		
<p>The opportunities for local authority public consultation were (inevitably?) more limited this year and this is mirrored by the FC in that we did not consult or invite feedback from groups that we link with in preparing this report. Anecdotally I can appreciate that the public priorities (schools, homelessness, city centre, adults and children at risk, prevention etc.) mirror local authority priorities. However, the lack of citizen engagement/consultation doesn't appear to have been considered when presenting the public consultation materials which appear inaccessible and jargon and acronym heavy.</p>			●	●
<p>The Budget Investments schedule is not laid out in a way makes it easy for the public to find sufficient explanation on some proposals. It's not annotated and proposal titles have not always been completed in a way</p>				●

that explains their nature. It's difficult to understand what has informed some of the proposed amounts.				
The better than expected growth nationally, and related settlement is to be welcomed but is in sharp contrast to individual/family circumstances which, locally, appear to be increasingly challenging. This is acknowledged when explaining that some additional funding is being allocated to services that may well end up compensating for worsening individual/family circumstances but there is little indication of how extensive this analysis is or whether it is just coincidental, or a 'rough match' between anticipated needs and the services that may meet these needs.		●		●
Regarding EDU1 it would be good to know if the increased funding needed for Free school meals is due to increased population, poverty, changing WG policy re universal entitlement for all primary pupils, all three or none.				●
As well as (presumably) the additional funding for schools via pupil funding the school's expansion in Newport is impressive. It would be useful to better understand the implications of this in terms of predicted population growth and pressure on non-school-based services.				●

3. Areas where assessing fairness is especially difficult

Previous FC budget responses have noted areas where gauging the fairness of a proposal is difficult due to lack of relevant information. There are again various examples of this.

- In the **absence of the usual Equality Impact Assessments** to explain decisions it is difficult to work out how principles of equity, priority, inclusion and communication apply.
- Similar impediments apply to **statements such as this...**

"the Council has demonstrated its ability and willingness to invest in services over the longer term, linked to priorities as set out in the Corporate Plan to fulfil its ambition of 'Improving People's Lives'. The Council's Corporate Plan, which ends this March, sets out 20 clear promises and, in some cases, require financial investments, which are included in the 2022/23 budget"

(This refers to but doesn't explain how these priorities are set – a key focal point for any fairness analysis.)

... and this (2.4)

"In putting together the budget we review:

- *budget commitments (both investments and savings) agreed in the MTFP previously;*

- *new areas in need of investment and growth;*
- *new proposals for savings and efficiencies;*
- *new proposals on our fees and charges.”*

(Where we are given factors without an indication of how they might be measured.)

- **Council tax.** We are given an explanation for why this is set relatively low and the impact this has had on revenues which results in a proposal for an inflation linked increase but nothing else to address historic legacy and attempts to redress it or not which would have been a good focus for a Fairness IA but this will go out for consultation – a process that we might also have looked at. So premature to fully comment on this. It would have been nice to see a few different options being put out with us looking at the potential choices and consultation processes and responses.
- There are missing details in many of the investment proposals making it difficult to make informed comments. For example, in SOC30, what are the increased pressures in in-house residential homes and why is an increased sickness budget needed. These seem to assume prior knowledge.

4. Areas for follow-up in our Stage 2 report for 2022

We have identified various themes and developments to which we would like to return later in the year. Each, we anticipate, will be analysable in terms of our principles of fairness – and will shed vital extra light on the implications of the proposals set out here.

- The forthcoming **Strategic Change Programme** referred to in 2.25, outlining ‘the key areas and initiatives that will guide services and the Council in the future to deliver sustainable services’.
- See **7.10 Equalities Impact Assessment and the Equalities Act 2010**

“As there are no new savings proposals in the 2022/23 draft budget and medium term financial year there are no individual fairness and equality impact assessments at this stage. However, an over-arching assessment of the impact of the budget will be undertaken, to be informed by the budget consultation and included with the final report to Cabinet. Given that the Administration has been able to avoid making cost savings the overall impact of the budget is expected to be positive in terms of equalities and the socio-economic duty.”

Again, this will be something for us to return to in our Stage 2 report.

5. Questions

Much of the information available is too unspecific, or at too early a stage, for us to make our usual comments. In light of this, we regard it as the most helpful option to pose a series of questions which have arisen from our analysis of the proposals as they are.

- An extended period of austerity has led to certain groups losing out, and other **long-term, unintended impacts** of the withdrawal of services along the way. What plans do the Council have to address the **consequences of historic decisions**?
- What do they do to possibly redress **low Council Tax rates** and their ongoing consequences for overall budget?
- What is, and how fair, is the **Strategic Change Programme**? And how does it apply to this budget? (The same may apply to the Corporate Plan.)
- Given the absence of proposed cuts and it being investment led, apart from forced considerations **on what basis do some service groups get prioritised over others for investment**?
- What is the **overarching EIA** likely to tell us about the fairness or otherwise of the proposals?
- What are the proposals for **consultation with interested parties** as further budget-related decisions unfold, and what consideration will be given to responses?

Appendix: Principles of Fairness

Equity

We should acknowledge differences but also treat people in a consistent way, while aiming to reduce the gap between those with more and less.

- *Are people being treated in a consistent way, while acknowledging their differences?*
- *Will the gap between those with more and less be reduced?*
- *Have the interests of different groups affected (such as minorities) been taken into account?*

Priority

We should prioritise the needs of the most vulnerable and disadvantaged.

- *Have the needs of the most disadvantaged and vulnerable across the city been given priority?*
- *Have we taken care to consider possible indirect consequences for these people of decisions made with other priorities in mind?*

Inclusion

Citizens should be given the opportunity to participate in the shaping of how services are decided upon, designed and delivered.

- *Will the voices of all those affected be heard?*
- *Have possible impacts on the well-being of future generations been taken into account?*
- *Are all relevant citizens able to participate in and shape the service, as well as receiving it?*
- *Has consideration been given to the impact on citizens' relations with each other, and the spaces they share?*

Communication

All decisions should be clearly communicated to those affected, in a way which allows for feedback and recognises the obligations between citizens and their Council.

- *Are decisions being made transparently and consistently?*
- *Will relevant decisions be communicated to those affected in a clear way, with the opportunity for feedback?*
- *Are the obligations of citizens to the Council, and vice versa, clear?*