

**Neath Port Talbot County Borough Council
Cyngor Bwrdeistref Sirol Castell-nedd**

**Democratic Services
Gwasanaethau Democrataidd**

Chief Executive: K.Jones

Date: 18 January 2024

Dear Member,

CABINET - MONDAY, 22ND JANUARY, 2024

Please find attached the following addendum report for consideration at the next meeting of the **Cabinet - Monday, 22nd January, 2024.**

Item

8. **Update Report on Settlement Position (Pages 3 - 8)**

Yours sincerely

Tammie Davies

p.p Chief Executive

This page is intentionally left blank

Neath Port Talbot County Borough Council

Cabinet

Report of the Corporate Directors Group

22nd January 2024

Matter for information

Wards affected – All

2024/25 Provisional Local Government Settlement – Update Report

Purpose of Report

To update the Cabinet on the financial impacts of the provisional local government settlement received 20th December 2023.

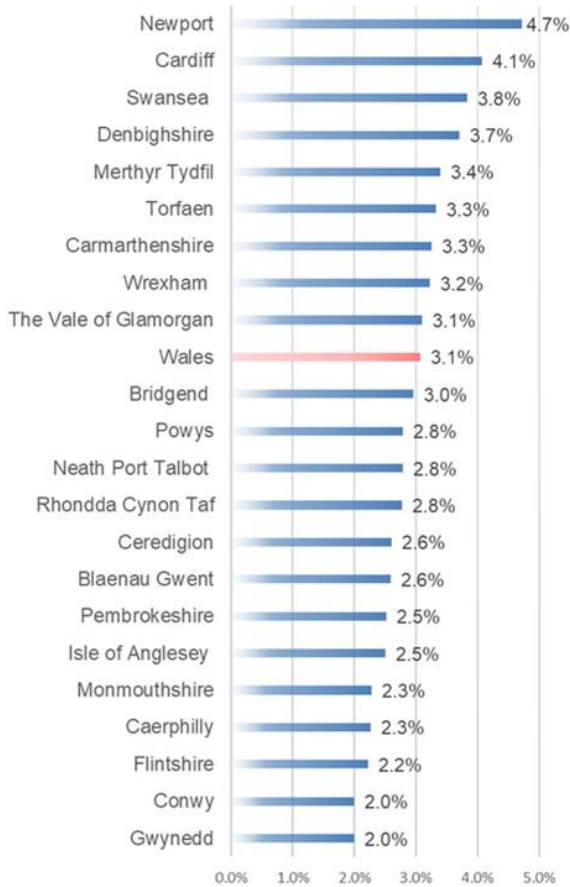
Introduction

On 20th December 2023 Cabinet granted the Chief Executive permission to undertake formal consultation on a number of draft budget proposals for the 2024/25 financial year. Those budget proposals were based on a set of assumptions due to the fact that the provisional local government settlement was not due until 20th December.

This report provides the Cabinet with an update in relation to the provisional settlement and summarises the consequential impact on the proposals contained within the draft budget.

Revenue Support Grant (RSG)

The draft budget proposals assumed an increase in RSG of 3.1% in line with Welsh Government indications. The actual increase for Neath Port Talbot is proposed to be 2.8%, below the Welsh average of 3.1%, as set out in the table below:



Source: WG Provisional Settlement 2024-24

The below average settlement is due to data changes in comparison with other Welsh local authorities as set out in the table below:

Dataset ¹	2023-24 Final	2024-25 Provisional	% Difference	Rank	% share 2022-23	% share 2023-24	Change in % share	Rank
Total Population ²	143,592	142,158	-1.0%	16	4.57%	4.54%	-0.03%	17
Pupil Numbers - Nursery and Primary	11,432	11,237	-1.7%	18	4.44%	4.41%	-0.04%	18
Pupil Numbers - Secondary in year groups 7-11	8,000	8,123	1.5%	13	4.69%	4.67%	-0.02%	15
Free School Meals - Primary	2,824	3,578	26.7%	16	5.50%	5.42%	-0.08%	17
Free School Meals - Secondary	1,721	2,275	32.2%	17	5.51%	5.28%	-0.23%	18
IS/ JSA/ PC/UC (not in employment) claimants - 18 to 64	9,035	10,063	11.4%	21	5.48%	5.36%	-0.12%	21
IS/ JSA/ PC claimants - 65+	4,772	4,528	-5.1%	18	5.30%	5.28%	-0.03%	20
IS/ JSA/ PC/UC (not in employment) claimants - all ages	13,971	14,817	6.1%	19	5.42%	5.33%	-0.09%	22
SDA/DLA/PIP claimants - 18 to 64	9,492	10,005	5.4%	21	6.21%	6.14%	-0.07%	22

Impact of provisional settlement

The financial impact of the reduced provisional settlement is that the Council will receive £650k less in RSG than anticipated in the draft budget proposals. In addition to this shortfall the Chief Fire Officer has confirmed that the Mid and West Wales Fire Authority level will be at the top end of

the range presented to Council at 9.4% which creates an additional budget pressure of £183k.

As a result of the above the budget gap detailed in the draft budget proposals of £2.7m has now increased to c£3.5m. This gap will require funding either from additional RSG from Welsh Government in the final settlement; additional savings/income generation proposals; increased council tax; or a combination of these.

Specific Grants

The provisional settlement also included details of specific grant allocations at an all Wales level. The vast majority of grants have remained 'cash flat' which in itself represents a real terms cut.

There are however a number which have seen significant reductions as detailed below.

Social Care Workforce Grant

£11m reduction across Wales (25%). NPT estimated share is c£500k. The grant is used to uplift rates paid to care providers to:

- Uplift salaries in the sector
- Take steps that address social care recruitment and retention difficulties.
- Take forward measures that support fair work in the sector, such as increasing opportunities to access continued learning and professional development.
- Support providers in becoming more sustainable to help maintain the quality and continuity of care.

Children and Communities Grant

£7m reduction across Wales (4%). NPT estimated share is c£312. In order to prioritise jobs the reduction means that there is no additional funding to undertake any additional work or to resource in areas such as Youth Service, Parenting etc

Communities for Work

£10m reduction across Wales (40%). NPT estimated share is c£709k. The management of change process is currently underway with up to 14 posts affected. Officers are looking to identify if alternative funding for possibly 4 or 5 of the above posts is feasible.

Crime and Disorder Impact

There are no crime and disorder impacts arising from this update report.

Integrated Impact Assessment (IIA)

There is no requirement for an IIA as this report is for information only.

Sustainable Development

There are no sustainable development impacts from this update report.

Workforce Impacts

There are adverse workforce impacts arising specifically from this update report. Steps have already been taken to mobilise the Council's Management of Change in Partnership policy which will include offering redeployment to staff affected by the cuts referenced in this report. Temporary restrictions on some recruitment and selection activities have been introduced to safeguard the employment of those affected.

Risks

The worse than anticipated financial settlement increases the risk that the Council isn't able to set a balanced budget in March 2024.

Recommendation

It is recommended that the Cabinet note the contents of this report.

Background Papers

-Welsh Government provisional local government settlement 2024/25

Officer Contact

For further information on this report item, please contact:

Mrs Karen Jones - Chief Executive
chief.executive@npt.go.uk

Mr Andrew Jarret - Director of Social Services, Health and Housing

a.jarrett@npt.gov.uk

Mr Andrew Thomas - Director of Education, Leisure and Lifelong Learning

a.d.thomas@npt.gov.uk

Ms Nicola Pearce – Director of Environment and Regeneration

n.pearce@npt.gov.uk

Mr Noelwyn Daniel, Director of Strategy and Corporate Services

n.daniel@npt.gov.uk

Mr Huw Jones – Chief Finance Officer

h.jones@npt.gov.uk

This page is intentionally left blank