



## Draft Budget Proposals for 2024/2025 Joint Trade Union Feedback

As the recognised Trade Unions with Caerphilly County Borough Council, we fully appreciate the challenging situation that the Local Authority finds itself in. Sadly, this position is not limited to Caerphilly but an all too common picture across our public services in Wales and the UK. Quite simply, the funding allocated to the Welsh Government by Westminster does not match the demands being placed on our public services. We are not only experiencing a 'cost of living crisis' but a 'Public Services Crisis!'

We fully appreciate the difficult decisions that may need to be taken by the Authority because of this funding crisis, however there is a balance to be struck between achieving short term aims i.e. 'balancing the books' and longer term aims, which we must be cognisant of. Short term 'quick wins' cannot, and should not, come at a cost of long-term losses to our communities and Caerphilly's dedicated staff.

It is within this context that we offer our views on the Draft Budget Proposals for 2024/25, and in the spirit of partnership working:

- Council and school workers are experiencing the fastest fall in living standards since records began. Council and school workers have suffered over a decade of below average pay awards/pay freezes and have subsequently lost on average 25% from the value of their pay spine since 2010! As household costs continue to rise and the value of staff pay keeps falling, a growing number of local government workers are skipping meals, not running the heating or relying on foodbanks. Trade unions have campaigned for this position to be turned around so that our hard working and dedicated staff receive the fair pay they are due. Therefore, it is disheartening to read within the budget report a figure of 4% being assumed from April 2024 for pay awards. We are confident that this will not be sufficient to satisfy the pay claim of our membership if not centrally funded.

***Officer Response - The actual pay award will be determined through national negotiations but for financial planning purposes we have to make assumptions around the potential level of pay awards. The 4% is in line with the current level of CPI inflation and is of a similar level to that being assumed by other Local Authorities.***

- The proposal to increase Fees and Charges by 5% we believe to be a short-term 'quick fix'. Being mindful of the current economic conditions i.e. high inflation, and high energy and food costs, we appreciate that the local authority is not immune to these cost increases, however, with more households cutting back on spending we would suggest exploring various pricing strategies to ensure price aversion does not

result in a fall in total income. A blanket 5% may have a positive impact in some areas but a negative one in others. As an alternative, we would advocate for stronger controls and analysis of costs, thereby reducing the need to increase prices.

***Officer Response - Comments in respect of the blanket increase are noted but this approach has been applied previously and has worked well. However, there will be a more targeted focus on fees and charges as part of the various projects that will be taken forward through the Mobilising Team Caerphilly Transformation Programme.***

- We note that the permanent savings proposals include an initial in-year savings target of £5m for the Mobilising Team Caerphilly transformation programme, yet there is little detail on where these savings will be generated from. Consequently, we are curious to understand if the savings have not yet been realised where has the £5m been drawn from in order to 'balance the books'?

***Officer Response - There has been considerable work undertaken over the last 10 months working with Perago to identify transformation projects that have the potential to deliver savings moving forward. We are now entering the delivery stage of the programme and are in the process of prioritising and resourcing those projects that will give us the initial batch of savings. It is important to set a target for the Mobilising Team Caerphilly Programme to ensure that we achieve pace with delivery.***

***The initial 2024/25 in-year target of £5m will be delivered through projects that are currently "in flight" and there is an expectation that further significant savings will be delivered in subsequent financial years once further projects have been prioritised for development and delivery. If the £5m target is exceeded, then the savings will be taken as 'savings in advance' to help offset the projected funding gap for 2025/26 and 2026/27. Conversely, if the target is not fully achieved then the shortfall will need to be funded through a further call on reserves. Progress will be closely monitored by the Mobilising Team Caerphilly Portfolio Board and through the Council's established budget monitoring arrangements.***

- The proposal to increase charges for school meals in secondary schools, Meals Direct and in the Hive Restaurant, Ty Penallta by 7.5% we believe to be excessive. As stated in our comments on Fees and Charges, we believe this may have negative consequences on the overall income generated. We also believe the potential consequences for increasing charges for school meals and Meals direct will have a greater negative impact on some of our most vulnerable citizens at a time when they need our services the most.

A decrease in customer trade due to excessive price increases in the Hive Restaurant may also have longer term consequences on its viability to function as a staff restaurant. Consideration must also be given to those employees who may have a disability and cannot leave the premises to find alternative eating venues, which we note was not considered within the impact assessments.

***Officer Response - Comments are noted and will be reported as part of the budget consultation feedback.***

- The comment made within section 5.7.11 of the report which states, *'It is inevitable that the Authority will be smaller moving forward and service levels in many areas will need to be reduced, or even removed.'* This is a particularly concerning statement. The trade unions would like further dialogue on this statement to understand why is it *'inevitable'*? The narrative cascaded as part of the Mobilising Teams Caerphilly transformation programme is that *'we need to work smarter, not harder.'* This would not automatically translate to services being reduced or removed. Therefore, we would welcome early dialogue with senior leadership on this matter.

***Officer Response - We will aim to deliver as much of the savings requirement as we can through identifying efficiencies and new ways of working but given the scale of the financial challenge it has to be accepted that there will be impacts across the organisation. The agreed Mobilising Team Caerphilly narrative includes the following statement: -***

***"We understand that some roles may need to change, and we expect there to be a reduction in staff numbers. We will look at voluntary departure options and as colleagues move on to new opportunities or retire, we will carefully assess how their roles can be managed going forward"***.

***Early engagement is key and there will be an ongoing dialogue with the Trade Unions in relation to the programmes of change being developed under Mobilising Team Caerphilly.***

- From discussions at the Joint Scrutiny Committee on 23.01.24 it has been highlighted that the amount of CCBC investment income has increased from £164m to £185m (as at September '23). As Trade Unions we would appreciate an explanation on why the decision has been taken to increase investment income by £21m given the current dire financial situation. At face value, it could appear that we are laying an Axminster carpet while there is a hole in the roof!

***Officer Response - £21.9m was invested between March 2023 and September 2023 and none of these investments were in gilts or other long-term investments. The investments that were made will all mature in the 2024 calendar year. The £21.9m consisted of investments in bonds and fixed-term deposits (£15.6m), an increase in deposits with the HM Treasury Debt Management Office (£9.5m), and a £3.2m reduction in investments with other Local Authorities and Housing Associations. The Council has operating costs of over £850m a year, so at different times of the year there will be varying levels of cash available and fluctuations in the level of investments.***

- Looking specifically at the savings proposals presented in the consultation report we would like to offer our initial observations:
  - Overall, the proposals presented are very vague in terms of describing the savings proposed, which is not conducive to effect public consultation.
  - **The deletion of the MeUs Leadership Programme budget** – A survey by the Chartered Management Institute, conducted by YouGov, found that 82% of those who enter management positions have not had any proper training, known as 'accidental managers'. The Poll also reveals ineffective leaders create poor motivation and low job satisfaction in their teams. Trained leaders and

managers are not only better equipped to address poor performance or behaviour, but also to create environments where employees can thrive, reducing turnover and fostering a culture of trust and productivity. Therefore, we believe that cancellation of the MeUs programme is not appropriate at this time when the organisation is undergoing significant strategic change and will rely heavily upon the quality and skills of its managers and leaders.

***Officer Response - Comments are noted and will be reported as part of the budget consultation feedback.***

- **Deletion of the vacant Grade 12 Human Resources Manager post** – As trade unions we work closely with HR on a daily basis and witness the level of demand placed upon this service. Therefore, we do not support the cancellation of this post.

***Officer Response - Comments are noted and will be reported as part of the budget consultation feedback.***

- **Apprenticeship Budget – 2024/25 costs to be funded from reserves** – We are an ageing workforce, and it is essential that we continue to encourage younger people to join our organisation. To fund the Apprenticeship Budget from reserves we believe does not set the appropriate foundations as we move forward. Given that reserves can only be used once, we feel justified to ask the question - what will happen to this budget once reserves become depleted in future years as forecast?

***Officer Response – The use of reserves for the apprenticeship programme is for 2024/25 only. There is a recurring core revenue budget of £262.5k for apprenticeships.***

- **Management, Fieldwork and Administration vacancy savings target temporarily increased from 4.5% to 9% to reflect current staff turnover and recruitment difficulties** – We appreciate that there has been recruitment and turnover difficulties within Social Services, however we are also aware that the Directorate is working hard to address this. Therefore, increasing the vacancy target to 9% would appear counterintuitive given that we are led to believe the intention is to fill these vacancy gaps.

***Officer Response – This is a temporary adjustment to reflect current recruitment difficulties being experienced in this area. The intention is still to recruit to posts wherever possible.***

- **A number of posts in the Caerphilly Cares Team to be temporarily funded through grants** – We would ask for further clarification on how these posts will be funded once the grant has ended.

***Officer Response – This will be subject to review when the grant funding is no longer available.***

- **Early Years central team – some posts being funded by grant** - We would ask for further clarification on how these posts will be funded once the grant has ended.

**Officer Response – This will be subject to review when the grant funding is no longer available.**

We trust that our feedback will be taken into consideration as part of the Budget Proposals Consultation 2024/25 and look forward to receiving a response in relation to the comments/questions put forward.

Kind Regards,

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