

REPORT OF CABINET

(Meeting held on 29 July 2022)

1. UK SHARED PROSPERITY FUND (MINUTE NO 25)

The Cabinet, having noted the purpose of the UK Shared Prosperity Fund, endorsed the priority themes for use of the Council's funding allocation as part of the fund, and delegated authority to the Chief Executive to submit the detailed plan for the Council to Government in line with published timescales.

The UK Shared Prosperity Fund Prospectus, launched in April 2022 as part of the Levelling Up agenda, provides £2.6 billion of funding intended to reduce inequalities between communities. The funding covers the three year period up to March 2025.

New Forest District Council's allocation of the fund is £1 million, which requires an investment plan to be submitted to Government, as at Appendix 1 of Cabinet 4 of the Cabinet Agenda. It should be noted that the majority of funding is due to be received in year three of the programme.

At the Cabinet meeting, it was emphasised that partnership working was at the heart of the programme, with the Freeport initiative a clear example of how many partners could come together to deliver benefits to an area. In addition, the ongoing work as part of the programme would position the Council to compete effectively for future funding streams, bringing about consideration of future projects in a proactive manner.

The Cabinet welcome the support from MPS and local partners, and looking forward to working together collaboratively to develop the programme following Government approval of the Investment Plan.

2. FINANCIAL MONITORING REPORT (BASED ON PERFORMANCE APRIL TO JUNE 2022 INCLUSIVE (MINUTE NO 26))

The Cabinet, having noted the latest budget forecasts of the General Fund, Capital and HRA, alongside the impact that utility and general inflation is forecast to have on the Council's budgets, is recommending to Council on required budget variations. Furthermore, there will be the need to identify mitigating actions to address what are largely unavoidable cost pressures, including a review of service charges within the HRA.

The Council had originally budgeted for a 2% pay award within its Annual Budget 2022/23, a level consistently applied by local authorities across the country. Following the publication of the Cabinet agenda and papers, the National Employers for Local Government Services met and put their final proposal to the unions, of a fixed uplift to all pay points of £1,925. As a fixed award, this creates a bottom loading impact on the Council's pay structure, applying an increase of between 10.5% - 2.93% respectively from Bands 1-11. In order to meet this award, an additional £1.2 million would be required across the General Fund (£900,000) and HRA (£300,000) budgets. These increases would also need to be accounted for in the Council's medium term financial planning.

The Cabinet, as part of this provision, is recommending that the lowest paid employees within the Council's structure are paid 20p per hour ahead of where the final nationally agreed minimum sat.

Although there is an ongoing period of union negotiation, the recommendation below allows the Council to put in place the necessary forecast supplementary salary budget,

which in turn provides for the opportunity to enable the Council to reflect the pay award in staff pay at the earliest allowed opportunity, once agreed.

At the Cabinet meeting, the unprecedented challenges in the global economy were noted, which were having a significant impact on the Council and its partners. The priority remains to maintain services for residents. Matters in relation to the support for Freedom Leisure will be the subject of a report to a future meeting.

RECOMMENDED:

- 1. In recognition of the pay offer made by the National Employers for Local Government services on the 25th July 2022, an increase to the Council's salary budget for 2022/23 be approved, at a total forecast additional cost of £1,200,000, noting that the retained pension fund deficit budget will be used to cover the General Fund cost at £900,000, and that the Acquisition and Development Reserve will be used to cover the HRA cost at £300,000.***

**COUNCILLOR E HERON
CHAIRMAN**