

28th January 2022

WELSH GOVERNMENT DRAFT BUDGET & PROVISIONAL LOCAL GOVERNMENT SETTLEMENT

Purpose

1. This paper updates members following the pre-Christmas publication of the Draft Welsh Government Budget and the Provisional Local Government Finance Settlement.

Provisional Settlement announcements and future timetable

2. The schedule for the remainder of the financial year is appended at Annex 1. Members are asked to note that the WLGA is starting to diarise more engagement events with Senedd Members following the positive feedback received from the pre-Christmas sessions.
3. The WLGA put together a comprehensive briefing following publication of the Provisional Settlement which was circulated to members and is appended at Annex 2. In broad terms, the press release from Political Group Leaders in response to the publication was positive (Annex 3). The increase in the revenue support is 9.4% higher than 2021-22 on a like-for-like basis and is the largest in recent memory. The increase of £437m compares to our estimated spending pressures of £324m for 2022-23. There are additional factors taken into account in the settlement envelope, such as wage inflation and the living wage commitment.
4. The WLGA intends to respond to the Provisional Settlement in positive terms but highlight the risks of lower settlements in future years and continued hypothecation. The key elements will be:
 - Positive response to the level of the settlement
 - Positive response to the reintroduction of multi-year settlements
 - Risks around funding for future years
 - Risks around future pay settlements
 - Importance of capital funding and restoring this to pre-austerity levels to stimulate the economy
 - Addressing the continued hypothecation and proliferation of grants

Other issues

5. There are ongoing discussions with Welsh Government the WLGA and ADSS around the implementation of the Real Living Wage for registered social care workers. A successful event *Living Wage Public Bodies Myth-busting Accreditation and Action Planning* was co-hosted between Cynnal Cymru and the WLGA on 19 January. The WLGA is currently running a survey to assess the impact of implementing this policy which will also pick up councils' assumptions around pay and Council Tax for 2022-23.
6. Members should also be aware that discussions have commenced at official level on a tourism tax with the Welsh Government aiming for a full consultation later this year. The first meeting was very much around scoping the project and work programme. The WLGA has requested a full update for Leaders in time for the next Finance Sub Group.

Recommendations

7. Members are asked to:

7.1 Note the contents of the report; and

7.2 Agree the WLGA's response to the Provisional Settlement in line with paragraph 4 above.

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Future Timetable

07 September	Spending Review launched
14 September	WLGA Leaders and Senedd Session
14 September	Distribution Subgroup for 22-23 Settlement
17 September	Full SWT
17 September	Survey Returns for Pressures 22-23 to 24-25
24 September	WLGA Executive
06 October	WLGA Leaders and WG Ministers
15 October	Joint Council for Wales
15 October	Full Meeting Society of Welsh Treasurers
18 October	Finance Sub Group
25 October	Senedd Recess
27 October	OBR Forecasts published
27 October	Spending Review and Budget
01-12 November	UN Climate Change Conference (COP26)
02 November	WLGA-Senedd South Wales East Engagement Event.
12 November	Joint WLGA/LGA/COSLA/NILGA Finance Event
19 November	Full Meeting Society of Welsh Treasurers
25 November	WLGA-Senedd North Wales Engagement Event.
26 November	Last date for Finance Committee WG Budget consultation.
06 December	WLGA-Senedd South West Wales Engagement Event.
10 December	WLGA-Senedd Mid and West Wales Engagement Event.
20 December	Draft Welsh Government Budget published
21 December	Provisional LGF Settlement
12 January	Local Government & Housing Committee – Scrutiny of WG Budget
14 January	Finance Committee – Scrutiny of WG Budget
28 January	WLGA Executive
07 February	WLGA-Senedd South Wales East Engagement Event
08 February	Deadline for responses to the draft settlement
11 February	WLGA-Senedd North Wales Engagement Event
17 February	Finance Sub Group (preceded by WLGA Finance Forum)
18 February	WLGA-Senedd South Wales West Engagement Event
23 February	Joint Finance and Econ Dev Cabinet Members Network
1 March	Final Welsh Government Budget & LGF Settlement
2 March	WLGA-Senedd Mid and West Wales Engagement Event
8 March	Final Budget debate
11 March	WLGA Council
23 March	UKG Spring Statement



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WLGA Briefing

21 December 2021

Welsh Government Draft Budget and Provisional LGF Settlement 2022-23

Leaders, Finance Cabinet Members, Chief Executives and Directors of Finance

Jon Rae & David Powell

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1. Summary

Yesterday the Welsh Government published its [draft budget](#) for 2022-23. The budget¹ will increase by **£2.6bn (14%)**. Day-to-day spending will increase by **£2.5m (15%)** and spending on capital will increase by **£122m (5%)**.

Today, the Minister for Housing and Local Government published the provisional local government finance settlement. There is an **increase in the revenue settlement (Aggregate External Finance) which is 9.4% higher than 2021-22 on a like-for-like basis**. The Welsh Government has **increased AEF by £437m**. At the last Finance Sub-Group we estimated local government's **spending pressures at around £324m for 2022-23**.

The Welsh Government's Budget provides **indicative figures for future years**, which means we return to a regime of multiyear settlements. Indicative grants allocations for 2023-24 and 2024-25 will help future financial planning. The main budget messages are contextualised over a three-year period up to 2024-25.

The Budget sees an additional £1.3bn go direct to Welsh NHS to provide *'effective, high quality and sustainable healthcare, and help recover from the pandemic'*. The Budget also acknowledges the pressure faced by local authorities through close to an additional £0.75bn direct investment to the Local Government settlement up to 2024-25.

Social care is seen as a priority in the budget, so in addition to the £0.75bn there is £60m direct additional funding to *'drive forward wider reforms to the sector and place it on a sustainable long-term footing'*. In 2022-23 more than £250m is provided for social services, including £180m funding provided within the £0.75bn Local Government settlement, direct investment of £45m plus £50m of additional social care capital relative to 2021-22.

The Senedd will then scrutinise portfolio plans in the respective policy committees over January and February. Welsh Government will publish the final Budget 2022-23 on 1 March 2022.

¹ This is the definition of spend called Departmental Expenditure Limits (DEL) which is directly under ministerial control rather than demand-led

2. The Welsh Government's Draft Budget

Overall, the Welsh Government's Total Managed Expenditure will be just over £23.7bn in 2022-23. Indicative allocations show this rising to £24.7bn in 23-24 and £25.1bn in 24-25. Within that definition is the Departmental Expenditure Limit (DEL) which is the element of the budget under direct Ministerial control.

The capital and revenue DEL increases by £2.6bn (13.7%) to £21.4bn. Day-to-day spending will increase by £2.5bn (15%) to £18.8bn and spending on capital will increase by £122m (4.9%) to £2.6bn. The capital increase is small compared last year and the reallocation among the budget lines is the result of a zero-based review. The climate change portfolio is the biggest winner.

The increases (and some decreases) in the revenue and capital DEL across ministerial portfolios are set out in Figure 1. Revenue DEL for Finance and Local Government increases by 14%. Business rates lie outside the DEL definition as part of Annually Managed Expenditure (AME). This line decreases by £71m (6.4%) to £1.030bn.

Figure 1: Changes to Welsh Government Departmental Expenditure Limit (DEL) 2021-22 to 2022-23

Resource and Capital DEL	Resource		Capital		Total	
	£000s	%	£000s	%	£000s	%
Health and Social Services	1,018,819	11.6%	-52,600	-13.6%	966,219	10.5%
Finance and Local Government	546,209	14.0%	-57,334	-27.4%	488,875	11.9%
Education and the Welsh Language	536,727	32.7%	85,520	31.7%	622,247	32.6%
Climate Change	236,000	25.0%	127,420	8.8%	363,420	15.2%
Economy	48,000	13.5%	-413	-0.3%	47,587	9.9%
Rural Affairs	14,263	4.2%	22,594	154.7%	36,857	10.3%
Social Justice	22,009	24.9%	113	0.7%	22,122	21.0%
Central Services & Admin	36,000	11.7%	-3,579	-26.4%	32,421	10.1%
Total Change in Res and Capital DEL	2,458,027	15.0%	121,721	4.9%	2,579,748	13.7%

Source: WG Draft Budget 2022-23

Further details of other measures in the Draft Budget are addressed in Section 4.

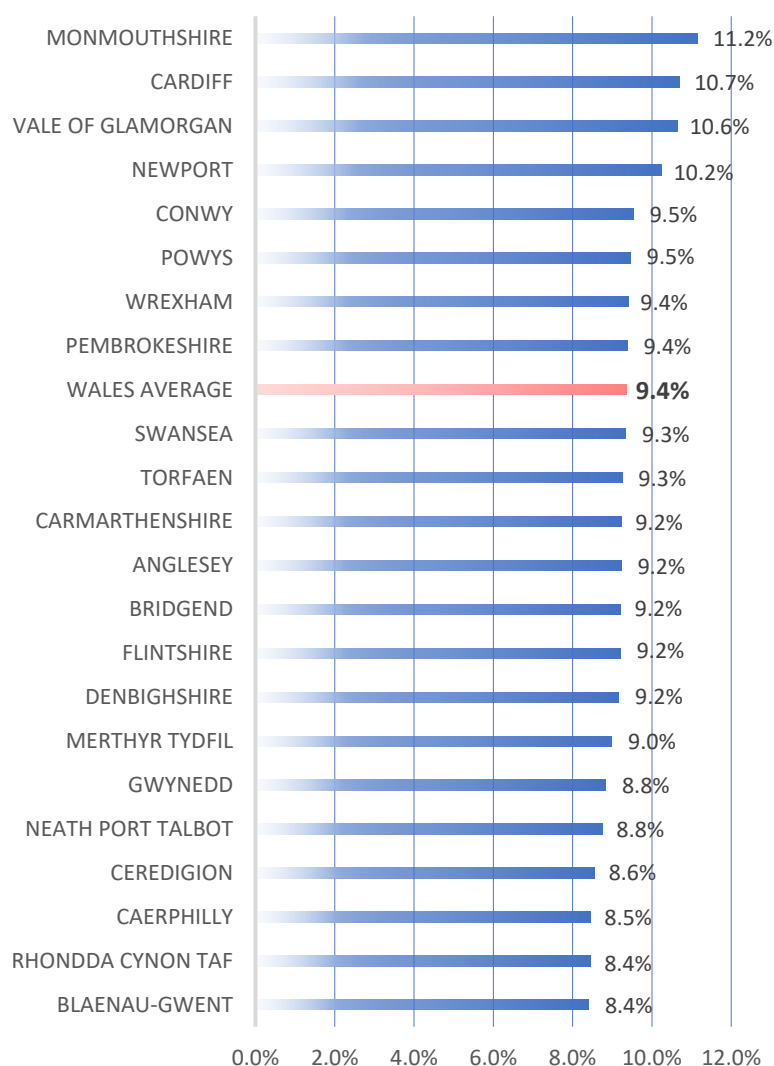
3. Local Government Settlement

The announcement today is confirmed in the traditional [letter](#) to Leaders. There is an increase in Aggregate External Finance (AEF) of £437m or 9.4% on like-for-like basis.

Figure 2 below shows the range around of the average driven by the funding formula. The range is largely a reflection of movements in several datasets derived from the schools' census and financial data.

The lowest increase is Blaenau Gwent with 8.4% (RCT is slightly higher) and the highest is Monmouthshire with an increase of 11.2%.

Figure 2: Changes to AEF, 2021-22 to 2022-23 by local authority



Source: WG Provisional LGF Settlement 2022-23

Overall core revenue funding rises to £5.1bn in 22-23. The Minister's letter sets indicative, Wales-level, core revenue funding allocations in subsequent years at £5.3 billion in 23-24 and £5.4 billion in 24-25. This equates to an uplift in the first year of £177m (3.5%) and in the second year of £128 million (2.4%). As the Minister points out, these figures are indicative and dependent on both our current estimates of NDR income over the multi-year settlement period, and UK Government decisions. This is, however, a welcome step forward.

The increase is on top of **3 transfers into the settlement:**

- £13.3m for Waste Disposal Gate Fees
- £0.285m for the Coastal Risk Management Programme
- £5m for the Social Care Workforce Grant

In terms of public sector pay, the Minister for Finance and Local Government is cognisant of the pay pressures in the future and makes specific reference to social care workers' and teachers' pay:

"In making decisions about the level of funding for local government I have responded to the need to ensure that hardworking staff receive well deserved pay-rises in the future. In particular I have included funding to enable authorities to meet the additional costs of introducing the Real Living Wage for care workers as set out by the Deputy Minister for Social Services today. This allocation includes a transfer of £5 million, for which the base of the Settlement has been adjusted, from the Social Care Workforce and Sustainability grant.

The funding provided through this Settlement also recognises the decision made around the 2021/22 teachers' pay deal and includes funding for the costs arising from the 2022/23 pay deal that fall within this Settlement year. Accordingly, I will not be making any further funding available in-year in recognition of the 2022/23 teachers' pay deal, and authorities' budget planning must accommodate these costs in the light of this Settlement."

Specific Revenue Grants

On a like-for-like basis specific revenue grants **will increase from £1.142bn to £1.146bn** which is a slight increase of about 0.4%. Many of the grants remain unchanged from 2021-22 figures, and some are yet to be finalised.

Some of the bigger and more significant reductions include:

- Regional consortia School Improvement Grant reduces from £172.6m to £158m
- Recruit, Recover, Raise Standards reduces from £68.8m to £37.5m
- ALN reduces from £16.2m to £14.2
- Reducing Infant Class size reduces from £6m to £2.5m
- Small Schools and Rural Grant ceases
- Road Safety Grant reduces from £2.9m to £1.9m

There are increases in several grant schemes, some of the bigger and more significant include:

- Pupil Development Grant increased from £111m to £123m
- Childcare Offer increased from £58m to £81m
- Bus Services Support rises from £60.5m to £62.6m
- Children and Communities Grant rises from £148m to £152m
- Road Safety Grant rises from £0.95m to £2m

Details of around 90 revenue grants are set out in [table 7 in the suite of settlement tables](#).

General Capital Funding (GCF) and Capital Grants

Overall Capital Funding (both GCF and Capital Grants) will decrease from £782m to £733m on a like-for-like basis. The £49m represents a 6% reduction.

Most of the funding reduction is down to General Capital Funding (GCF). It reduces by 16% from £178m to £150m but then increases to £180m from 23-24 onwards.

Details of capital funding and nearly 40 capital grants are set in [table 2b in the suite of settlement tables](#).

4. Other measures in the Welsh Government budget

(Some specific measures will be repeated from the table of specific grant and revenue funding for local government)

Funding Arrangements

- Wales rate of income tax remains unchanged
- Land Transaction Tax (LTT) rates to remain unchanged pending outcome of consultation allowing local variation on areas such as second homes and holiday lets
- Land Disposals Tax (LDT) rates to increase by RPI from 1st April 2022.
- Retail, leisure and hospitality ratepayers will receive 50% non-domestic rates relief for the duration of 2022-23. The scheme will be capped at £110,000 per business across Wales. This is in line with the equivalent scheme announced by UK Government.
- The non-domestic rate multiplier will not increase for 2022-23. The estimated cost will be £35m in 2022-23
- Taken together, Non Domestic Rates, Welsh rates of income tax, land transaction tax, landfill disposals tax and Non-Domestic rates will contribute around £3.91bn
- The Wales Reserve (introduced in 2018) can hold up to £350m with annual drawdowns limited to £125m for revenue spending and £50m for capital spending. Previous years have fully utilised the £125m drawdown. The draft budget's plans do not assume full drawdown meaning Welsh Government will have headroom to deal with unexpected pressures. However, the total in the reserve will depend on this year's end of year financial position.
- The draft budget reflects Welsh Government's plans to maximise capital borrowing thus using the maximum annual drawdown of £150m per year up to and including 2024-25. The limited capital settlement means this source will be fully utilised. The repayment plus interest will feature in financial plans

Social Care

- £60m of grant funding up to 2024-25 to promote reform and improvement in social care
- Total of £110m capital by 2024-25 for primary and community care to support integrated provision
- Total of £180m to support a range of social care programmes to improve residential care infrastructure and new integrated health and social care hubs
- Integrated Care Fund to have £240m capital up to 2024-25 to meet complex care needs and care of those with physical or learning disabilities

Education

- Additional £64m for learners up to age 16. It includes funding to support continuation of the Recruit, Recover and Raise programme
- Additional £20m in the Pupil Development Grant
- An additional £12m of revenue and total £900m of capital up to 2024-25 for 21st Century Schools
- Post 16 provision receives and additional £63.5m up to 2024-25. It includes local authority provision

Living Wage

- Welsh Government state the Local Government settlement includes funding to enable authorities to meet the additional costs of starting to pay the Real Living Wage of £9.90 an hour to social care workers from April 2022. This was also referenced in the draft budget's Social Care section where it again stated this was within the overall funding envelope

Free School Meals

- Extend free school meals to all primary school pupils over the lifetime of the agreement between the government and Plaid Cymru. This will see an additional 196,000 children become eligible to take up the offer of free school meals in Wales
- An additional £90 up to 2024-25 to deliver the commitment in stages. Investment will aim to use public procurement to increase local food production and distribution to benefit local economies. It was announced that £40m of this funding will be available from 2022/23. This should enable all children in key stage 1 to be provided with Free School Meals from September 2022.

Early Years and Childcare

- An additional £30m in Early Years and Childcare. The draft Budget suggests that this funding will be used to expand the childcare offer to parents who are in training or education, and on increasing provision for two-year-olds.
- £70m capital up to 2024-25 for Childcare Offer and Flying Start settings

Local Government and Tax Reforms

- An additional £11m for Local Government and tax reforms up to 2024-25. It is *'to ensure we take forward our distinctive Welsh tax approach'*

NHS

- Core investment to increase by £1.3bn taking baseline investment in 2024-25 to £9.683bn
- Additional £170m a year to LHBs to strengthen planned care services (deal with backlog of cases)

- Additional £20m for a value-based approach to medium term recovery
- £180m per annum from 2022-23 to manage the financial impact of the pandemic on LHBs underlying financial position. Welsh Government states the NHS is expected to return to pre-pandemic efficiency levels as the impact of COVID-19 on services eases
- £31m for training and educating the workforce of the future
- Over £800m capital to 2024-25 for Digital Infrastructure , NHS equipment and NHS Infrastructure
- An additional £100m up to 2024-25 to prioritise mental health and well-being

Culture

- An additional £14m up to 2024-25 to create a new cultural strategy working with stakeholders in the arts, heritage and culture sectors
- £165m of capital up to 2024-25 to enable tourism, sports and arts industries to thrive. Also £24m of capital for equal access and new facilities to increase participation

Welsh Language

- Extra £8m investment in the Coleg Cymraeg Cenedlaethol and the National Centre for Learning Welsh
- Capital investment of £45m up to 2024-25 to increase opportunities for learners to be taught through the medium of Welsh

NNDR (Rates) Relief

- A £116m Retail and Hospitality Rates Relief scheme
- No increase in non-domestic rates multiplier for 2022-23. This means no increase in the amount of rates which businesses and other ratepayers pay in 2022-23

Transport

- An additional £100m a year up to 2024-25 to support public transport services whilst the pandemic continues to impact travel patterns and fare income. Also, to help deliver a shift in transport use and decarbonisation within the sector
- A total of £107.5m capital investment up to 2024-25 to continue to finance local transport initiatives to deliver a sustainable transport system, including supporting the roll out of our 20mph speed limit reduction.
- Within the overall settlement funding to continue to maintain the budget envelopes for free Concessionary and Youth Discounted bus travel

- Over £750m of capital in rail and bus provision including delivery of the South Wales Metro.

Community Food Strategy

- An additional £10m package to include funding to implement a Community Food Strategy. Aimed at creating capacity and building resilient communities. Allocation also allows for additional funding to implement and deliver sustainable farming scheme through ICT investment

Housing

- Approximately £1.6bn capital investment to meet housing priorities. This includes £1bn in social housing and £375m for building safety. This funding will enable long term investment in remediation of blocks of flats through a second phase of the Welsh Building Safety Fund, alongside supporting delivery of the Building Safety Passport Scheme, establishment of the Joint Inspection Team and supporting work on long term reform and remediation.
- £30m of revenue in support housing and homelessness priorities.

Also appended:

The draft budget, along with several supporting documents, can be found on the Welsh Government's website:

Draft Budget 2022-2023:

[Draft Budget 2022 to 2023 | GOV.WALES](#)

Press releases:

[Budget to build stronger, fairer, greener Wales | GOV.WALES](#)

[Green investment to tackle climate and nature emergency | GOV.WALES](#)

Written statements:

[Written Statement: Draft Budget 2022-23 \(20 December 2021\) | GOV.WALES](#)

[Written Statement: Non-Domestic Rates Relief for Businesses in 2022-23 \(20 December 2021\) | GOV.WALES](#)

[Written Statement: Welsh Devolved Taxes and Welsh Rates of Income Tax - Draft Budget 2022-23 \(20 December 2021\) | GOV.WALES](#)

Provisional Local Government Finance Settlement

All the supporting documents for the provisional settlement can be found through the following link:

[Provisional LG Settlement 22-23](#)

Settlements in England and Scotland

With the English settlement it is difficult to make like-for-comparisons with Wales, but the commentary from the Institute of Fiscal Studies is instructive. The Scottish settlement has not been announced yet but could mean quite a poor outcome for councils in Scotland according to their representative body COSLA.

[Institute of Fiscal Studies' summary of the English LG Settlement](#)

[COSLA Press Release: A Budget that is bad for communities](#)

ANNEX I: WLGA's response to Provisional LGF Settlement

DATGANIAD I'R WASG CLILC

Dydd Mawrth 21 Rhagfyr 2021

I'W RYDDHAU AR UNWAITH

Setliad gorau ers degawdau a hwb i gymunedau a gwasanaethau lleol, meddai CLILC

Mae llywodraeth leol wedi croesawu un o'r setliadau cyllidebol gorau ers cychwyn datganoli.

Bydd cynghorau yn gweld cynnydd o 9.4% ar gyfartaledd i'w refeniw craidd yn 2022-23, yn cynrychioli naid o £437m ers llynedd. Cyhoeddwyd hefyd ddyraniadau dangosol gan Lywodraeth Cymru am y ddwy flynedd nesaf, â'r gefnogaeth hynny'n cael ei groesawu gan gynghorau er mwyn cynllunio i'r dyfodol.

Dywedodd y Cynghorydd Andrew Morgan (Rhondda Cynon Taf), Arweinydd CLILC:

“Dyma setliad i'w groesawu'n gynnes a fydd yn hwb enfawr i'n cymunedau. Mae'n darparu buddsoddiad mewn gwasanaethau lleol ac yn rhoi y sicrwydd pellach sydd ei angen ar gynghorau yn y cyfnod eithriadol sydd ohoni.

“Mae'r gefnogaeth ariannol i gynghorau gan Lywodraeth Cymru wedi bod yn hollbwysig i ymateb i'r argyfwng. Bydd setliad ar y raddfa yma yn helpu i roi gwasanaethau lleol ar droed mwy cadarn nag y mae nhw wedi bod ers tro. Mae'n benllanw misoedd o ddeialog adeiladol rhwng gweinidogion, arweinwyr a swyddogion llywodraeth leol a Llywodraeth Cymru.

“Nid ffigyrau ar daenlenni yw buddsoddi mewn cynghorau. Mae'n fwy na hynny. Mae'n golygu buddsoddi yn ein cymunedau, ein pobl a'n gwasanaethau hollbwysig sy'n helpu i wella a newid bywydau, tra'n parhau i ymraffael â dwy her fyd-eang: y pandemig a newid hinsawdd.”

Dywedodd y Cynghorydd Anthony Hunt (Torfaen), Llefarydd CLILC dros Gyllid:

“Bydd y codiad hael mewn cyllid refeniw yn y cyhoeddiad heddiw yn helpu i ni ddarparu'n well ar draws ein holl wasanaethau. Rwy'n falch bod cyllid ychwanegol ar gyfer gofal cymdeithasol yn cychwyn ymateb i'n pryderon maith am dâl i ofalwyr ac yn cydnabod y rhai hynny sy'n darparu gwasanaethau cwbl gritigol ar gyfer y rhai bregus yn ein cymunedau. Mae'r canlyniad cadarnhaol yma yn adlewyrchu ein ymagwedd partneriaeth tuag at lywodraeth yng Nghymru a'n ymgysylltu rheolaidd â gweinidogion, a hoffwn ddiolch iddyn nhw am gydnabod rôl hollbwysig cynghorau.”

“Bydd y cynnydd gwaelodol mewn cyllid yn ein helpu i gwrdd â’n pwyseddau chwyddiant sylfaenol ynghyd â’r pwyseddau ychwanegol o ganlyniad i Yswiriant Gwladol ond rwy’n falch bod Llywodraeth Cymru hefyd yn darparu cyllid i dalu’r cyflog byw go iawn i ofalwyr cofrestredig.”

Dywedodd y Cyngorydd Hugh Evans (Sir Ddinbych), Arweinydd Grwp Annibynnol CLILC:

“Dwi’n croesawu’r setliad a gyhoeddwyd heddiw gan Lywodraeth Cymru. Nid yn unig y mae’n cydnabod sut y mae ein gwasanaethau lleol hollbwysig yn chwarae rôl rheng flaen yn ymateb i’r pandemig, ond hefyd sut y mae nhw’n gwella bywydau yn ein cymunedau pob diwrnod o’r flwyddyn. Yn fwy nag erioed o’r blaen, mae cymunedau yn edrych i lywodraeth leol am arweiniad a chefnogaeth trwy’r amseroedd anodd iawn yma.”

“Bydd croeso gan lywodraeth leol hefyd i’r dyraniadau cyllidebol a gyhoeddwyd am y ddwy flynedd nesaf, a fydd yn rhoi llawer mwy o sicrwydd i gynllunio ymlaen.”

Dywedodd y Cyngorydd Emlyn Dole (Sir Gaerfyrddin), Arweinydd Grwp Plaid Cymru CLILC:

“Rwy’n croesawu’n fawr y setliad gan Lywodraeth Cymru, sydd yn un o’r gorau i ni ei weld ers tro byd. Mae’n tystio i’r ddeialog reolaidd ac adeiladol i ni ei chael gyda gweinidogion ac Aelodau o’r Senedd yn ehangach, sydd yn sicr wedi cael ei werthfawrogi gan arweinwyr cyngor.

“Tra bod llawer yma i fanylu ymhellach, bydd y cyllid a gyhoeddwyd i gynghorau hefyd yn helpu i lansio rhai o’r polisiâu beiddgar yn y Cytundeb Cydweithredu, gan gynnwys prydau ysgol am ddim i bob disgybl cynradd. Edrychaf ymlaen at barhau i weithio gyda Llywodraeth Cymru i ddatblygu ffyrdd o weithio i gyrraedd yr uchelgeisiau hynny.”

Dywedodd y Cyngorydd Richard John (Sir Fynwy), Arweinydd Grwp Ceidwadol CLILC:

“Dyma setliad sylweddol gan Lywodraeth Cymru sydd yn gywir yn cydnabod cyfraniad eithriadol ein gwasanaethau lleol. Rwy’n ddiolchgar i weinidogion am wrando arodd ni fel arweinwyr cyngor, ac am wneud y mwyaf o’r dyraniad hael a roddwyd i Drysorlys Cymru gan lywodraeth y DU. Mae’n dangos yr hyn all gael ei gyflawni dros ein cymunedau yng Nghymru ac ar draws y DU pan fo llywodraethau lleol, Cymru a’r DU yn gweithio a’i gilydd. Bydd y setliad yma’n ein helpu ni i wneud yn siwr bod gwasanaethau lleol hanfodol yn gallu parhau i gefnogi ein cymunedau pan mae nhw eu hangen.”

-DIWEDD-

Nodiadau i Olygyddion

Bydd setliad dros dro llywodraeth leol nawr yn destun cyfnod saith wythnos o ymgynghori, a fydd yn dod i ben ar 8 Chwefror 2022, cyn i Lywodraeth Cymru osod ei chyllideb derfynol.

WLGA PRESS RELEASE

Tuesday 21 December 2021

FOR IMMEDIATE RELEASE

Best settlement in decades a boost for communities and vital local services, says WLGA

Local government has welcomed one of the best financial settlements since the beginning of devolution.

Councils will see an average of 9.4% increase to their core revenue in 2022-23, representing a £437m year-on-year boost. Indicative allocations for the next two years have also been published by Welsh Government, which will give welcome support to councils in planning ahead.

Councillor Andrew Morgan (Rhondda Cynon Taf), WLGA Leader said:

“This is a very welcome settlement and will be a massive boost for our communities. It provides investment for local services and gives councils the additional certainty in the future that is required in extraordinary times.

“The financial support for councils from the Welsh Government has been vital in responding to the crisis. A settlement of this scale helps put local services on a firmer financial footing than has been the case in a long time. This is the result of months of constructive dialogue between ministers, leaders and officials in local government and the Welsh Government.

“Investment in councils is more than figures on a spread sheet. It’s about investing in our communities, our people and in our vital services that help improve and change lives, whilst continuing to respond to two global challenges: the pandemic and climate change.”

Councillor Anthony Hunt (Torfaen), WLGA Finance Spokesperson said:

“Today’s announcement is a generous uplift in revenue funding and will help us deliver improved outcomes across all our services. I am pleased that additional funding for social care starts to address our long-held concerns about pay for carers and rewards those who provide the most critical services for the most vulnerable in our communities. This kind of positive outcome reflects our partnership approach to government in Wales and our regular engagement with ministers, and I would like to thank them for recognising the critical role that council services play.”

“The underlying increase in funding will meet our basic budget inflationary pressures and additional pressures caused by the increase in National Insurance but I’m pleased that the Welsh Government is also providing funding to pay registered carers the real living wage.”

Councillor Hugh Evans OBE (Denbighshire), WLGA Independent Group Leader said:

“I welcome this settlement announced today by Welsh Government. Not only does it recognise how our essential local services are playing a front-line role in responding to the pandemic, but also their life enhancing role every day of the year in our communities. More than ever before, our communities are looking to local government for guidance and support through these very difficult times.

“Local government will also welcome the funding allocations published for the next two years, which will place councils in much better stead to plan ahead with more certainty.”

Councillor Emlyn Dole (Carmarthenshire), WLGA Plaid Cymru Group Leader said:

“I very much welcome this settlement from Welsh Government, which is one of the best councils will have seen for a long time. It is testament to the constructive and regular dialogue which has been had with ministers and wider Members of the Senedd, which has certainly been appreciated by council leaders.

“While there is a lot to unpack, the funding announced for councils will also help to launch some of the bold policies outlined in the Co-operation Agreement, including free school meals for all primary school pupils. I look forward to continue to work closely with Welsh Government in developing approaches to those ambitions.”

Councillor Richard John (Monmouthshire), WLGA Conservative Group Leader said:

“This is a significant local government settlement from Welsh Government which rightly recognises the extraordinary role of our local services. I am grateful to ministers for listening to us as council leaders, and for making the most of the generous allocation given to the Welsh Treasury by the UK Government. It shows what can be achieved for communities in Wales and across the UK when local, Welsh and UK governments work together. This settlement will help us to make sure our cherished essential local services can continue to support our communities when they need it.”

- ENDS-

Notes for Editors

The provisional local government settlement will now be subject to a seven-week consultation period, which will end on 8 February 2022 in advance of Welsh Government setting its final budget.