

Resourcing Local Services 2020-21



Councils seek a Fair Revenue Settlement to sustain valued and vital local services in 2020-21

- **Councils face pressures of over £254m next year**, rising to around £739m by 2022-23. These pressures will have a knock-on effect on councils' ability to provide key local services such as schools and social care.
- **Local council tax payers cannot continue to be expected to plug the gap** in central government funding; this is unsustainable and unfair.
- **Councils are a large part of the *local health service*** – investing in early intervention and preventative council services can reduce the costly burden of ill health on the NHS, and should be afforded similar protections. A modest investment in early intervention and preventative services can lead to significant long term savings for the NHS.
- **Discretionary services, the most visible services that are often most valued by the public, have borne the brunt of funding reductions**: real terms per capita library spend is down 38%; culture spending is down 45%; regulation and planning has reduced by nearly 60%.
- The independent Wales Fiscal Analysis estimated in a recent report that the **Welsh Government will receive annual cash increases of 3.3%** or £0.5bn over the next 3 years which could cover increased local government costs.

To protect and support vital local services, the Welsh Government should fully fund:

- **All workforce-related costs** such as pay and pensions, much of which are outside of councils' control, currently estimated at £147m in 2020-21. These should be identified separately within the settlement;
- **Appropriate levels of investment to fund high needs high cost services** to reflect increasing complexity of care and support needs;



- **New responsibilities** – all new legislative duties, such as Additional Learner Needs reform, must be fully costed, fully funded and rolled into the settlement.

To give councils the flexibility to prioritise and protect vital local services, they need:

- All existing grants schemes for teachers' pay and pensions and social care to be built into the settlement;
- To be first in the queue for any additional funding from increased UK Government spending;
- Welsh Government Budget announcements to cover a multi-year period and all grant letters issued as soon as possible after the draft budget;
- A renewed focus from Welsh Government on outcomes and not inputs, and transfer specific grants into the revenue settlement to allow councils to focus on local needs;
- Protection of Welsh Government funding for waste and recycling services, which have had grant cuts of over 40% in real terms already.

To support local and regional regeneration and councils' investment in local economies, the Welsh Government should provide:

- An additional capital funding commitment of £100m over the next three years;
- Continued and increased investment in affordable and innovative housing programmes to stimulate the economy and provide jobs;
- A more sustainable funding solution for highways, given the need for constant investment to maintain our road system.

