

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr Bridgend County Borough Council



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GYFRINACHOL – I'W HAGOR GAN
CYREIRIWDYD ATO UN UNIG / CONFIDENTIAL
TO BE OPENED BY ADDRESSEE ONLY

Rebecca Evans MS
Minister for Finance and Local
Government
Welsh Government

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Cadeirydd Pwyllgor Trosolwg a Chraffu
Corfforaethol / Chair of Corporate Overview and
Scrutiny Committee
Deialu uniongyrchol / Direct line: (01656) 643515
Gofynnwch am / Ask for: Scrutiny

Ein cyf / Our ref: AW / Scrutiny
Eich cyf / Your ref:

Dyddiad / Date: 14 March 2024

Dear Minister

Overview and Scrutiny Committee concerns regarding Budget and Funding

I am writing to formally put on record the following concerns of our Overview and Scrutiny Committees endorsed by the Corporate Overview and Scrutiny Committee that met on 30 January 2024, to consider the Medium Term Financial Strategy 2024-25 to 2027-28 and Draft Budget Consultation Process.

Subject Overview and Scrutiny Committee 2 expressed concern regarding the lack of recognition of the difficulty of setting budgets based on short term reliance on Grant funding, the instability and uncertainty when short term Grant funding is removed and the impact on the stability of providing services. The Committee recommended that a letter be sent to Welsh Government lobbying for the discontinuation of short term Grant funding in favour of sustained long term funding included in the settlement, in support of sufficient social services funding.

Subject Overview and Scrutiny Committee 3 expressed concern over the lack of funding provided by Welsh Government for new legislation introduced and the resulting impact this had on Local Authority budgets in meeting new requirements. The example used was Universal Free School Meals, and whilst not part of the Communities remit, Members highlighted that the requirement for funding for UPFSM puts pressure on the Local Authority budget and has resulting implications on all services when having to fund budget gaps in the overall Council budget. The Committee therefore supported any proposal for the Corporate Overview and Scrutiny Committee to write to WG to express these concerns and request that new legislation be accompanied by suitable, sufficient funding.

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We welcome correspondence in Welsh. Please let us know if your language choice is Welsh

Whilst acknowledging the proposed 3% budget increase from Welsh government as part of its draft settlement, Subject Overview and Scrutiny Committee 1 expressed serious concerns regarding the mounting pressures on local services including schools and social services, and the fact that the settlement was simply not enough to cover such pressures. The Committee appreciate that this was the same for all Local Authorities, however, given reports received that the Minister wished to protect school budgets, Members stated that more needed to be done by Welsh Government to support and fund Local Authorities appropriately. The Committee therefore agreed to write to Welsh Government to highlight these issues and to support Cabinet in putting extra pressure on Ministers to address the funding situation for Local Authorities.

In addition to this, Subject Overview and Scrutiny Committee 1 asked that this letter to Welsh Government also highlight the need for Local Authorities to receive earlier clarification on any external or central budget allocation. This is as a consequence of the ongoing uncertainty currently being experienced in relation to teacher pensions and whether these will be centrally funded. Without such information, it is extremely difficult for Local Authorities to effectively plan and produce, and more importantly consult on, a correct and informed balanced budget.

At the Corporate Overview and Scrutiny Committee held on 30 Jan 2024, Members referred to the discussions held recently by all Scrutiny Committees and evidence provided by Cabinet Members and Officers in which serious concerns were raised over the Council's capacity to deliver on new Welsh Government legislation without the assurance of sufficient funding. The Committee therefore agreed to write to the Minister for Finance regarding this and also recommended that Cabinet do the same to lobby Welsh Government and UK Government through the WLGA, to stress that it is simply unsustainable for Local Authorities to exercise their statutory duties as well as implement new legislative changes without the consequential financial resources and, in addition, the human resources to deliver their policy objectives.

The Corporate Overview and Scrutiny Committee endorsed the above recommendations made by Scrutiny Committees and also emphasised the point made by Subject Overview and Scrutiny Committee 2 in relation to their concerns around the instability that reliance on short term grant funding causes as well as Subject Overview and Scrutiny Committee 1's comments on the need for earlier clarification on any external or central budget allocation. To add to this, the Committee requested that there was also a need to lobby Welsh Government for a multi-year funding settlement so that more informed, longer term budget planning could be undertaken.

I have been asked as Chair of Corporate Overview and Scrutiny Committee to express the above concerns of our Scrutiny Committees, to you as Welsh Government Minister for Finance and Local Government.

The Committee requests that due consideration be given to the above and look forward to your response.

Yours sincerely,

A handwritten signature in blue ink that reads "Alexander Williams". The signature is written in a cursive style with a prominent flourish at the end of the name.

Y Cyng / Councillor Alex Williams
Cadeirydd Pwyllgor Trosolwg a Chraffu Corfforaethol / Chair of Corporate Overview and
Scrutiny Committee