



Eich cyf/Your ref: FB/Scrutiny
Ein cyf/Our ref JB/00647/25

Councillor Freya Bletsoe
Chair of Subject Overview and Scrutiny Committee 2 (Social Services)

scrutiny@bridgend.gov.uk

20 August 2025

Dear Councillor Bletsoe,

Thank you for your letter about the concerns raised by your Subject Overview and Scrutiny Committee 2.

The Welsh Government greatly values its partnership with local authorities in Wales. Over recent months we have collectively been working on a Strategic Partnership Agreement between the Welsh Government and local government, which includes commitments relating to some of the issues raised by the scrutiny committee.

This confirms our shared recognition of the importance of the many services delivered by local government and their impact.

A Protocol on Hypothecated Grants is also being co-developed between the Welsh Government and local government as part of a broader suite of agreements. It will outline the agreed approach to determining, operating, and reviewing hypothecated grant schemes.

The Welsh Government is committed to working closely and transparently with all partners who receive grant funding. We strive to issue grants promptly and, wherever possible, avoid retrospection. However, there are instances, such as when funding becomes available in-year, where retrospective arrangements are unavoidable.

We understand how important clear funding arrangements are for our partners and as far as possible, we listen and respond to concerns raised. For example, we recognise the value of multi-year grants and favour their use when our funding allows. We also consider inflationary uplifts; however, our ability to address these is limited by the wider financial pressures faced by both government and councils.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The Children and Communities Grant (CCG) supports vulnerable individuals across Wales, particularly babies, children, young people, and adults; through early intervention and prevention programmes aimed at reducing disadvantage and promoting equality. By combining eight programmes, including Flying Start and Families First, the CCG enables more strategic, flexible, and collaborative service delivery by local authorities. In response to the challenges of short-term funding, we have introduced a three-year funding model (2025–2028) to improve stability, planning, and staff recruitment and retention.

On 30 May, the Cabinet Secretary for Finance and Welsh Language published [a written statement about National Insurance contributions \(NICs\) for public sector employers](#). The UK Government provided £185m in funding to Wales following its decision to increase employer NICs in the autumn UK Budget. However, this falls significantly short of the £257m devolved public sector employers in Wales need to meet the increased NICs costs they face.

This shortfall, of more than £70m, is a result of the UK Government decision that Wales should receive a Barnett consequential of the additional costs to devolved public sector employers in England, rather than the actual costs. The £185m will be passed on in full to devolved public sector employers in Wales and the Finance Secretary will provide an additional £36m from the Wales Reserve. This creates a total package of £220 million to support public services, including further education, with increased NICs costs.

Looking more broadly, local authorities will receive over £6.1 billion in core revenue funding and non-domestic rates for 2025–26. This represents a 4.5% increase, or £262m on a like-for-like basis compared to the current year.

I hope that you find this information helpful in addressing the concerns raised in your committee meeting.

Yours sincerely,

A handwritten signature in black ink, reading 'Jayne Bryant' in a cursive style.

Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai
Cabinet Secretary for Housing and Local Government