



Eich cyf/Your ref FB / Scrutiny
Ein cyf/Our ref DB/00619/25

Llywodraeth Cymru
Welsh Government

Councillor Freya Bletsoe
Chair of Social Services, Health and Wellbeing Overview and Scrutiny Committee
Bridgend County Borough Council

scrutiny@bridgend.gov.uk

17 November 2025

Dear Councillor Bletsoe,

Thank you for your letter of 24 October to the Cabinet Secretary for Housing and Local Government on behalf of the Social Services, Health and Wellbeing Overview and Scrutiny Committee. I am responding as the matters you raise fall within my portfolio.

The Welsh Government greatly values its partnership with local authorities in Wales. Earlier this year we established 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. I believe this evidences 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. In all cases, the Welsh Government strives to work closely and openly with all its partners in receipt of grant funding. We endeavour to issue all our grants promptly and wherever possible avoid retrospection, however there will be occasions, for example when funding becomes available in-year, where this is unavoidable.

This close working relationship means that we know how important early clarity of funding arrangements is for our partners and we listen and, where possible, respond to their concerns. We understand the benefit of multi-year grants and favour their use where our own funding permits; however, we must recognise that our ability to address these issues is constrained by the financial environment which affects Government equally with local authorities.

More generally, I note and understand the committee's concerns about funding, including funding of legislative commitments. As I hope committee members will recognise, the Welsh Government seeks to protect and uplift its contribution to local authority budgets where possible, whether through the local authority settlement or discrete grants. For 2026-27, the draft budget included an average growth of 2.5% in the local authority settlement.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Dawn.Bowden@llyw.cymru
Correspondence.Dawn.Bowden@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynir 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 responding in Welsh will not lead to a delay in responding.

Within this we are ensuring that local authorities will retain the growth in non-domestic rates income in 2026-27. Within these arrangements we are also providing a £8.6m funding floor with the aim of no authority having less than a 2.3% uplift. We have baselined the 2025-26 funding for teachers' pay-rises, NJC pay-rises and National Insurance.

In that context, I fully appreciate committee members' concerns regarding National Insurance contributions. On 30 May, the Cabinet Secretary for Finance and Welsh Language published [a written statement about National Insurance contributions for public sector employers](#). In this statement he noted that the UK Government had provided £185m in funding to Wales following its decision to increase employer NICs in the autumn 2024 UK Budget. However, he also noted that this fell significantly short of the £257m it was estimated that devolved public sector employers in Wales needed to meet the increased National Insurance costs they face.

Ultimately, 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. This £185m is being passed on in full to devolved public sector employers in Wales and the Finance Secretary is providing an additional £36m from the Wales Reserve, creating a total package of £220 million to support public services with these increased costs.

Turning to the commitment in relation to removing profit from the care of children looked after, I am pleased that the committee recognised the Welsh Government's decision to continue making funding available for this commitment until 2027-28. This funding follows the previous £69.6m of support provided to local authorities and regions between 2022 and 2025. In addition to grant funding to individual local authorities and regions we are also supporting the Association of Directors of Social Services Cymru to coordinate local authority implementation planning for the removing profit work across Wales. Further financial undertakings, as I am sure you realise, are for the next administration to enter into.

In relation to data on care experienced children, this is published on StatsWales: please see here: [Children looked after](#). We would welcome comments from the committee if there are any areas of significance which members consider are missing.

Whilst the number and themes of complaints are not regularly collected from local authorities, as you will be aware, each local authority will provide details of the complaints that they have received as part of their Local Authority Social Services Annual Reports. The Welsh Government's National Office for Care and Support is currently undertaking an analysis of those reports as part of a forthcoming *State of the Nation* report. This report will include a summary of the complaints received across all local authorities in Wales. We aim to publish it by the end of March.

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

Yours sincerely,



Dawn Bowden AS/MS
Y Gweinidog Plant a Gofal Cymdeithasol
Minister for Children and Social Care