

Tracey Burke
Director General, Education and Public Services Group
Welsh Government

10 December 2021

Dear Tracey

Evidence session on 1 December

Thank you for attending the Committee meeting, along with your officials on 1 December. I have listed the action points arising from the meeting below.

Local Government Finances

On local authority reserves, Mike Hedges MS raised a number of points which you agreed to consult on with the Welsh Local Government Association and the Society of Welsh Treasures in gathering the data. Specifically, we are interested in:

- How much of local authority reserves is unpaid COVID money that is committed?
- How many local authorities self-finance insurance. Please could you include details of the number of schools using their financial reserves to pay for their own insurance?
- How much of earmarked reserves are allocated to the building of new schools?
- How much of earmarked reserves is cover for any overspend on social services?
- Are reserves being created due to new residents moving into a local authority areas during the financial year and paying council tax that was not accounted for at the start of the financial year?

The Auditor General's Report on Financial Sustainability of Local Government refers to the varying levels of usable reserves held by local authorities, relative to the net cost of their service budgets. From the data, it appears not an absolute but a general correlation between Revenue Support Grant funding per head. Could you provide an explanation of why local authorities hold such variable levels of usable reserves particularly given, the range is wide?

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

Referring to the funding local authorities received to support business and hospitality during the Covid-19 pandemic, please confirm if any local authorities underspent this funding, and if so was any underspent funding returned to Welsh Government, or did local authorities retain this in their reserves?

Town and Community Councils

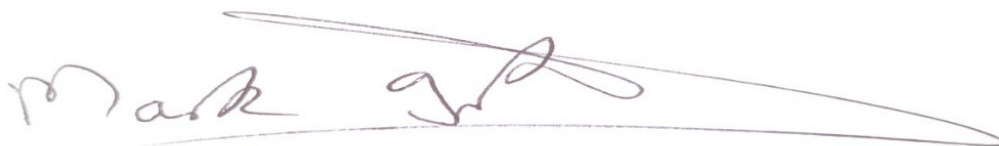
We agreed to write to you regarding some further issues on financial management and governance in town and community councils. You wrote with a detailed update on this issue to my predecessor in January 2020 and I would welcome a further update on the matters referred to in that letter.

Finally, you agreed to check with the Society of Local Council Clerks, what data they hold about the number of clerks who already hold one or more of the four qualifications that are proposed as a condition of eligibility for the general power, and how have those proposals been received? What data or consideration is given to the extent to which members, particularly new members who might be elected next year, will be helped to understand their duties as corporate employers of the clerks, in terms of their employment rights?

I would welcome your response by 31 January 2022.

Thank you.

Regards.

A handwritten signature in dark ink, appearing to read 'Mark Isherwood', written over a horizontal line.

Mark Isherwood MS
Committee Chair