

Neath Port Talbot UNISON needs additional Funding for NPT Council

Y Pwyllgor Deisebau | 16 Mehefin 2025
Petitions Committee | 16 June 2025

Reference: SR2511287-1

Introduction

Petition Number: P-06-1500

Petition title: Neath Port Talbot UNISON needs additional Funding for NPT Council

Text of petition: Neath Port Talbot UNISON is requesting a much needed injection of funding to Neath Port Talbot Council to protect services, protect jobs, keep communities safe. Without this extra funding Neath Port Talbot Council will have to make decisions on both statutory and non-statutory services for example, close Libraries, Youth Services, Public Amenities' also make staff compulsory redundant.

All additional funding allocated to Neath Port Talbot Council will support the disadvantaged people living in the area affected by the job losses in TATA Steel. The Trade Unions and Local Council are working in Social Partnership to protect the workforce and any extra revenue will assist partnership further in these terrible times.

The text provided above is submitted by the petitioner. The petitions team make every effort to ensure it preserves their authentic voice. This text has not been verified for accuracy, or errors, and may contain unverified opinions or assertions.



1. Background

1.1. The Local Government Settlement

The Welsh Government allocates funding to local authorities through its **Housing and Local Government Main Expenditure Group** (MEG). The main element within the MEG is the Revenue Support Grant (RSG). In the **Final Budget 2025-26**, the Welsh Government allocated just over £5 billion into the RSG, which included top-up funding of £8.2 million to ensure no authority received an uplift below 3.8%.

In addition to the RSG, local authorities will receive around £1.1bn in redistributed NDR (Non-Domestic Rates/business rates). This means that local authorities will receive a total of £6.14bn in revenue and NDR for 2025-26, an increase of 4.5% compared to 2024-25.

The Welsh Government has also allocated around £1.3 billion in specific grant funding to support some of its policy priorities, which local authorities can access, as well as in excess of £1bn in Capital Funding.

1.2. Funding formula

The local government settlement is distributed to councils on the basis of a needs based formula. The formula consists of a variety of indicators which consider characteristics of a local authority such as; population, sparsity and deprivation among other things.

The formula is under continuous review and updated regularly. It is maintained by the **Distribution Sub-Group (DSG)**. The DSG is comprised of representatives from the Welsh Government, Welsh Local Government Association (WLGA) and independent members. It advises the **Partnership Council for Wales** and Welsh Ministers on the amount of revenue funding each local authority receives.

A **written statement** on the Distribution Sub-Group's Work Programme on the funding formula was published in March 2024.

The **Cabinet Secretary for Housing and Local Government**, answering question in Plenary (22 January 2025) stated in relation to the local government funding formula that:

We're committed to continuing to use and maintain a fair and transparent funding formula for the local government

settlement, which is agreed with local government. The funding formula is kept under review annually by the distribution sub-group. Work that is under way includes updating the sparsity and that deprivation data and how it's used in the formula. We've got relevant statistical techniques, such as regression and multilevel modelling, which were used to determine the indicators with the biggest relationship to cost when the formula was established. This is now being reviewed, using the same techniques to see if they're still the strongest relationships.

1.3. Local Authority Distribution 2025-26

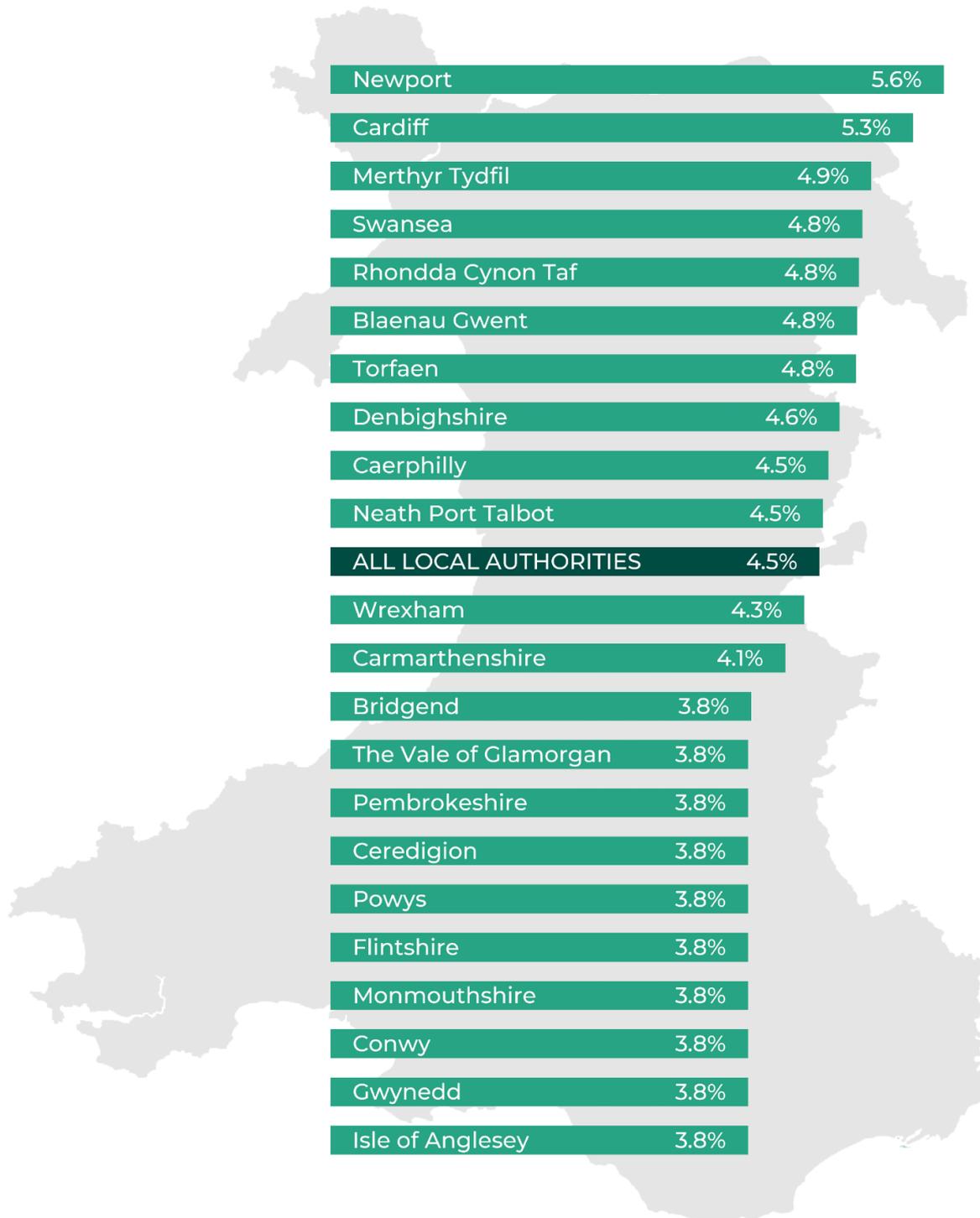
Core revenue funding for local authorities increases by 4.5% overall for 2025-26. As part of its budget agreement with Jane Dodds MS, leader of the Welsh Liberal Democrats, the Welsh Government **implemented a funding floor in the Final Settlement**. This means that no authority will receive less than a 3.8% uplift in its funding for 2025-26. Nine local authorities benefitted from the floor.

Neath Port Talbot County Borough Council was not a recipient of the additional top-up funding as it was expecting to receive a 4.5% uplift in its settlement. This equates to an increase of a little over £13.1 million for the authority on a like-for-like basis compared to 2024-25.

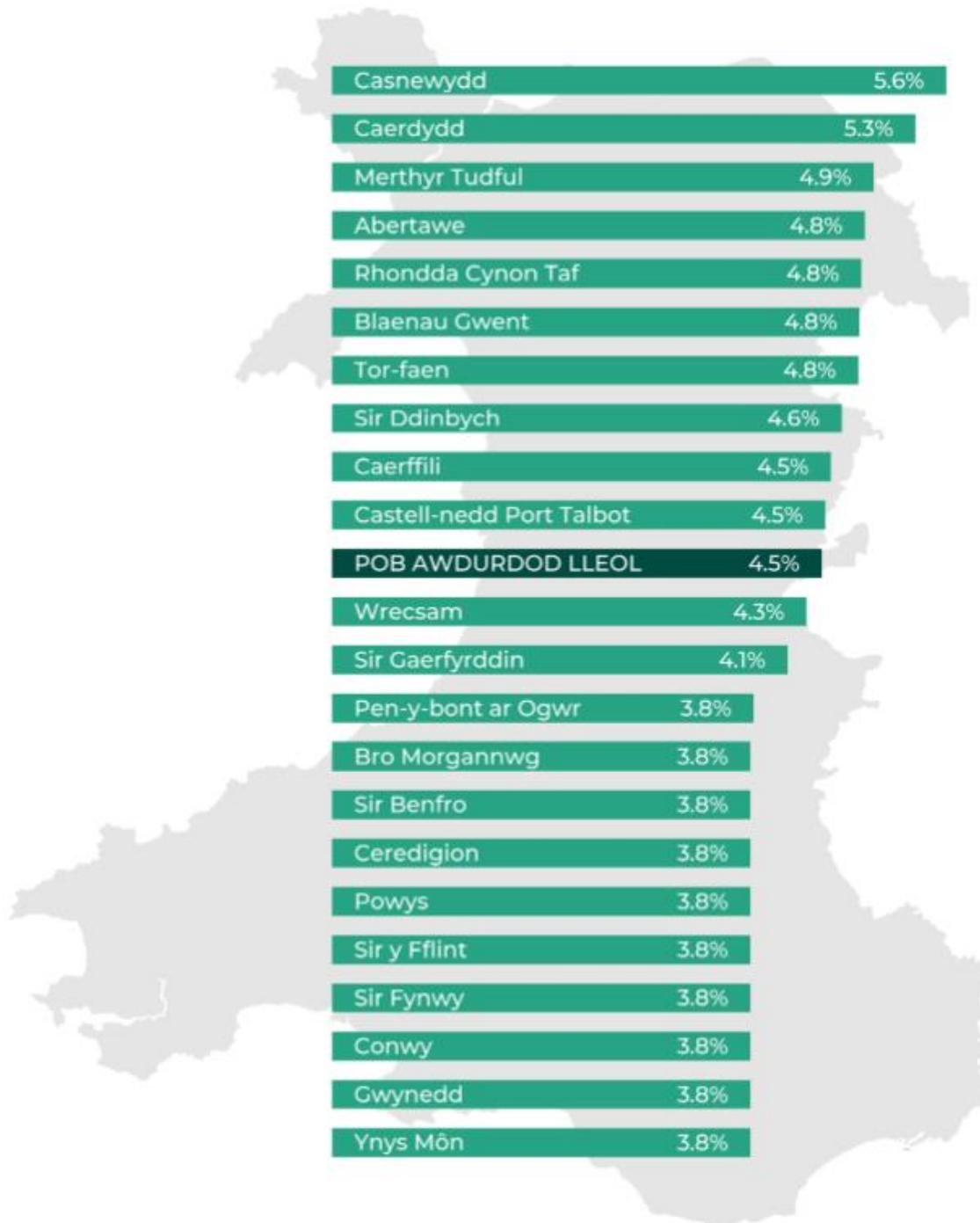
Neath Port Talbot CBC was also able to retain a very small amount (£12,000) of NDR (business rates) derived from the Swansea Bay City Deal. Retained rates are the share of any net NDR revenue generated as a direct result of the actions of the City and Growth Deal. As this revenue cannot be distributed directly from the NDR pool, an equivalent figure has been calculated and shared amongst relevant Councils through the Revenue Support Grant.

Newport received the biggest uplift overall in 2025-26 (5.6%) with Cardiff close by (5.3%) as illustrated in the [Senedd Research analysis](#) of Welsh Government data below:

Change in AEF (RSG+NDR) (adjusted) by local authority (2024-25 to 2025-26) %



Data source: Welsh Government – [Final Local Government Settlement 2025-26 tables](#)



Ffynhonnell data: Llywodraeth Cymru - [Setliad refeniw a chyfalaf llywodraeth leol: terfynol 2025 i 2026 mewn tablau](#)

The Welsh Government also publishes details on *per capita* spend, that is, the amount of core funding available to spend on public services divided by the number of people living in the authority area. The figures below are based on the Mid Year 2023 Population Estimates and show Neath Port Talbot ranked 5th overall:

Table 1c: Aggregate External Finance (AEF) per capita, by Unitary Authority, 2025-26

Unitary Authority	2025-26 Final Aggregate External Finance	Aggregate External Finance per capita (£) [Note 2]	Rank
Blaenau Gwent	154,534	2,294	1
Merthyr Tydfil	133,144	2,272	2
Denbighshire	215,251	2,216	3
Rhondda Cynon Taf	521,329	2,162	4
Neath Port Talbot	306,177	2,143	5
Caerphilly	373,900	2,119	6
Gwynedd	248,390	2,084	7
Torfaen	192,216	2,058	8
Newport	329,322	2,013	9
Carmarthenshire	375,692	1,976	10
Ceredigion	144,225	1,974	11
Isle of Anglesey	135,881	1,961	12
Conwy	219,010	1,914	13
Swansea	468,409	1,898	14
Bridgend	276,528	1,884	15
Powys	251,461	1,870	16
Pembrokeshire	233,534	1,868	17
Wrexham	249,508	1,833	18
Flintshire	275,984	1,771	19
Cardiff	674,886	1,760	20
The Vale of Glamorgan	224,448	1,666	21
Monmouthshire	135,248	1,430	22
Total unitary authorities	6,139,078	1,940	

Tabl 1c: Cyllid Allanol Cyfun (AEF), yn ôl Awdurdod Unedol, 2025-26

Awdurdod Unedol	Cynllun Allanol Cyfun cyllid terfynol 2025-26 (£000)	Cynllun Allanol Cyfun Terfynol y pen (£) [Nodyn 2]	Rheng
Blaenau Gwent	154,534	2,294	1
Merthyr Tudful	133,144	2,272	2
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These figures do not take into account other local authority funding or income streams, such as council tax revenue, specific grant funding or other funding streams via UK Government.

Neath Port Talbot CBC considered its **final budget proposal on Wednesday 5th March 2025**, and the **budget proposals for a net revenue budget of £405.3m for 2025-26 was approved** by the council.

2. Welsh Government action

In her response to the Petition, the Cabinet Secretary for Housing and Local Government, Jayne Bryant MS acknowledges the concerns of UNISON, and that councils have had to make “difficult decisions on services, and council tax in setting budgets”. The Cabinet Secretary also confirms that Neath Port Talbot received a 4.5% (£13m) uplift for 2025-26, which is “equivalent to the Welsh average uplift”.

While un-hypothecated funding does not take account of “specific support for specific local incidents such as Tata steel”, the Cabinet Secretary notes the data

used to calculate the settlement “includes indicators on benefit rates where appropriate”.

The paper continues by highlighting various UK Government funding to support businesses in the supply chain to “build resilience and grow”. Neath Port Talbot Council is also leading on the [Employment and Skills Fund](#) aimed at supporting individuals gain new skills and access employment opportunities.

3. Welsh Parliament action

The [Senedd debated the Draft Budget 2025-26 on 4 February 2025](#), and debated the [Final Budget and the Local Government Settlement on 04 March 2025](#).

The [Local Government and Housing Committee scrutinised the Cabinet Secretary for Housing and Local Government on 15 January 2025](#). The Committee also took evidence from the [Welsh Local Government Association \(WLGA\)](#) on 08 January 2025. Conclusion 1 of the [Committee’s report](#) on the draft budget stated:

Conclusion 1. We would like to see a full review of the local government funding formula and that local authorities with an older and ageing population are adequately reflected in the formula.

The [Welsh Government accepted the conclusion in principle](#), noting that:

The fundamental principle of the formula is that this funding is distributed according to relative need. The largest drivers of service expenditure are population levels, deprivation levels and sparsity and over three quarters of the funding is distributed through the local government settlement funding formula relies on data which is updated annually

The [Finance Committee also took evidence from the WLGA on the Draft Budget 2024-25 on the 15 January 2025](#).

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.