

Communities, Equality and Local Government Committee

Date: 9 October 2014

Time: 9.45am to 11.15am

Title: Evidence paper – Local Government Draft Budget Allocations for 2015-16.

1. Introduction

This paper provides information to the Committee regarding Local Government future programme budget proposals outlined within the Draft Budget which was laid on 30 September 2014. It covers Local Government and safer communities.

2. Background

Compared to the indicative plans published at Final Budget 2014-15, the total DEL allocation for Local Government has decreased by £85.779m in 2015-16. Within this overall position there is a net increase of £25.927m in 2015-16 for transfers into the Revenue Support Grant.

There is no change to the overall capital budget of £22.9m in 2015-16. The Annually Managed Expenditure (AME) budget in respect of Fire Services Pensions is reduced to £23.5m, in line with the latest estimate.

The following summary financial table shows the overall effect on the LG Departmental Expenditure Limit (DEL) baseline budget. This does not include Annually Managed Expenditure (AME) which is outside the Welsh Assembly Government's Departmental Expenditure Limit.

Summary Financial Table for the LG MEG

	2014-15 Supplementary Budget £000	2015-16 Indicative Plans Final Budget £000	2015-16 Changes £000	2015-16 New Plans Draft Budget £000
Resource DEL	4,574,093	4,467,231	-85,779	4,381,452
Capital DEL	22,920	22,920	0	22,920

DEL Baseline	4,597,013	4,490,151	-85,779	4,404,372
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3. Budget Overview

Local Government Department has three main roles:

- To provide a legislative and funding framework for Local Authorities in Wales, which promotes openness, transparency and accountability in the improvement of public services;
- To tackle anti-social behaviour, crime (including the fear of crime) and to work to reduce the incidence and impact of fires and other emergencies; and
- To provide national leadership to ensure all public services work together effectively to put people first and to make the most effective use of public money through collaboration.

Our approach is set out in the themes identified in Chapters 2 and 7 of the Programme for Government. In this context, our aims refer not just to Local Government but underline our partnership approach and apply to the wider public service in Wales. They include:

- Strengthening local democracy;
- Supporting continuous improvement in public services;
- Ensuring our funding supports stronger and more effective service delivery, including supporting the delivery of preventative services;
- Securing effective collaboration between public services; and
- Ensuring safer communities for all.

In line with this partnership approach I have set out our ambitions for Local Government in Wales and announced the intention to consult further and seek views from Local Authorities, the wider public sector and the public to inform the development of a draft Bill for consultation in the Autumn of 2015. In addition, our work contributes to many of the aims in the Programme for Government through our cross-cutting focus on strengthening public service delivery, funding local services and promoting community safety.

Within the overall changes to the Local Government MEG, there are net transfers into the **Revenue Support Grant** totalling £25.927m in 2015-16. The transfers comprise:

- A transfer in of £10m from Reserves for additional funding for Social Services;
- A transfer in of £14m from Reserves for additional funding to deliver the First Minister's commitment to protect school funding;
- A transfer in of £4.6m from the Health and Social Services MEG in respect of Integrated Family Support Service;

- A transfer in of £0.88m from the Health and Social Services MEG in respect of Autistic Spectrum Disorders (ASD);
- A transfer out of £2.5m to the Education and Skills MEG in respect of Student Finance;
- A transfer out of £0.54m to the Education and Skills MEG in respect of Education Psychologists; and
- A transfer out of £0.49m to the Health and Social Services MEG in respect of Feed Safety.

Finally, within the overall changes is a transfer out of £0.13m into the Central Services and Administration MEG in respect of PSLG Procurement Programme. There are also a few transfers within the MEG to facilitate alignment with the departmental business plan, and the bringing together of budgets which focus on local government and public services.

Further details will be provided when the Provisional Local Government Finance Report are published on 8 October 2013. This will set out the amount of Revenue Support Grant the Welsh Government proposes to distribute to county and county borough councils in 2015-16 along with the basis of distribution.

To aid transparency of the Draft Budget changes to the LG MEG, a breakdown by BEL is attached at Annex 1.

4. Programme for Government commitments

Community Support Officers

Provision has been made for the funding of the 500 additional Community Support Officers recruited under the Programme for Government Commitment. Cost estimates have been prepared in conjunction with each of the five Police Forces involved and adequate provision has been built into plans. The recruitment target was met in October 2013 and the impact of the additional CSOs is being evaluated through externally commissioned research. We anticipate the results of this research will be available at the end of this year. We are committed to Supporting Children, Families and Deprived Communities by ensuring **safer communities** and so we are protecting the funding for Community Support Officers (CSOs) with £16.8m in 2015-16 to maintain our Programme for Government commitment.

Local Government

Local Government expenditure is key to supporting education, social care, housing and a range of other services that are designed to give people the best opportunity for healthy, prosperous lives. These investments makes an important contribution to all of our Budget themes, including Health and Well-being, Growth and Sustainable Jobs, Educational Attainment and Supporting Children, Families and Deprived Communities. The funding we

provide to support communities and services across Wales, also plays a key role in terms of preventative spend and tackling poverty.

The overall budget reductions mean a substantial reduction to this budget is unavoidable. However, within this, our aim has been to minimise the impact on Local Authorities and protect front-line services to, in turn, limit equality impacts at the local level. This has involved critically reviewing our other programmes, encouraging the rolling-in of specific grants into revenue support grant to provide greater flexibility, reducing bureaucracy through single integrated planning, ensuring new responsibilities placed on Local Authorities are properly funded, including those arising from the legislative programme, and providing support for transforming and improving services.

In terms of Educational Attainment, we have consistently said that protecting frontline spending in schools remains a priority and in this Draft Budget, we are continuing our contribution to protecting schools funding at 1% above changes to the Wales DEL. In total, this means that we are providing an additional £14m for schools in 2015-16.

We remain committed to do everything we can to protect the delivery of frontline services, particularly where we know that there are important links between health and social services. In this context, in addition to the protection we have given to health funding, over the course of this Spending Review period we have also looked to cushion local authorities from the full impact of the UK Government's reductions to our Budget overall. Whilst the cumulative reductions to our Budget mean we cannot continue to fund everything at the same level, we have recognised the importance of **social services** to the health service. We have listened to the concerns of local government in Wales and we are investing an additional £10m in 2015-16 in recognition of the pressures on social services in Wales.

In total, we are allocating £4.292bn to the **Funding Support for Local Government** Action in 2015-16, which provides unhypothecated revenue funding for Unitary Authorities and Police and Crime Commissioners to carry out their core functions and duties. Whilst this represents a challenging settlement for Local Government, it follows a number of years of budget stability during which the Welsh Government encouraged and supported Local Government to invest in transforming services in preparation for challenging settlements ahead.

In line with this approach, we are allocating £34.1m through the **Local Government Improvement Action** to support challenge, openness and accountability in Local Authority decision-making and to assess, support and build corporate capacity and incentivise Local Authorities to improve service delivery. This work supports our focus on prevention by encouraging consideration of more efficient and effective service delivery options, as well as incentivising improvements in the delivery of effective services across Local Authorities.

Whilst this represents a reduction against indicative plans for 2015-16, the reductions will be accommodated by driving more efficient and focused delivery of the assessment and support of improvement and by taking a more collaborative approach with Local Government. These

programmes also make an important contribution towards our investment in Supporting Children, Families and Deprived Communities.

While there has been a reduction in the amount of funding for supporting the **design and delivery of services** a significant proportion has been retained to support reshaping the way we think about and deliver public services to meet current and future needs of the people of Wales. A core theme of this programme of work is supporting the shift to preventative approaches through projects on earlier intervention (missing children; domestic abuse); and on joined up services (e.g. on enabling older people to live independently for as long as possible or adoption of team around the family approaches). These projects are identifying and sharing best practice on joining up services through national, regional and local leadership groups. There are also links here with the tackling poverty agenda – particularly in terms of providing joined up services for young people who are NEET (which is a key priority within the Tackling Poverty Action Plan).

Domestic Abuse

In 2015-16, we are allocating £4.1m resource and £1m capital in the Domestic Abuse Action to support victims of gender-based violence, domestic abuse and sexual violence through the provision of funding to both third and statutory organisations to deliver services to victims and awareness-raising. This represents an increase compared to indicative plans for 2015-16 and will support the implementation of the Gender-based Violence, Domestic Abuse and Sexual Violence Bill (Wales) Bill. The capital increase from £0.3m to £1m will also provide support for a range of capital works to help improve the infrastructure of service provision across Wales resulting in improved access to these vital services for victims.

Youth Justice

We are maintaining the budget allocation of £5.2m to the Youth Justice Action in 2015-16, to support a range of initiatives aimed at preventing and reducing youth crime, predominantly through the Youth Crime Prevention Fund, explained further in Sections 5 and 6 as part of our key policies and preventative spend.

Fire and Rescue Services

In 2015-16, we are allocating £1m resource and £0.7m capital through the Fire and Rescue Services National Framework Action to support fire and road safety preventative activity such as Home Fire Safety Checks, youth initiatives, such as Phoenix and Crime and Consequences, arson reduction and road safety. This investment, which contributes towards Supporting Children, Families and Deprived Communities, aims to reduce the incidents of fire and response calls outs by the Fire and Rescue Authorities (FRAs) by implementing and supporting interventions, advice and preventative equipment.

Whilst this budget has been reduced, the revised budget has been allocated in the context of a reduction in the overall incidence of accidental and deliberate fires. In the case of the latter

specifically, performance data has shown a reduction in deliberate fires, false alarms, malicious calls by young people, and on attacks on fire crews. FRAs also have a statutory duty to promote fire safety in their area, including provision of information and advice, and in managing this revised budget we will consider how to focus on the most effective interventions and the balance between preventative and responsive activity.

Inspectorates

Following some cuts in previous years all the Inspectorates' funding is being maintained at last year's budget level. This takes account of the increasing pressures and expectations on Healthcare Inspectorate Wales, Care and Social Services Inspectorate Wales and Estyn. The funding that each inspectorate requires in future will continue to be reviewed in light of relevant published reports and legislative obligations

5. Key Policies

Local Government

We have engaged extensively with Local Government regarding the settlement for 2015-16 and have provided Authorities with as much information as possible, as early as possible, without pre-empting the publication of the Draft Budget and its formal consideration by the Assembly.

In July 2014 the Welsh Government responded to the report of the Commission on Public Service Governance and Delivery. Our initial response to the Commission is set out in the paper *Devolution, Democracy and Delivery: Improving Public Services in Wales* and the White Paper, *Devolution, Democracy and Delivery: Reforming Local Government* which were published on 8 July 2014. The first sets out our response to the broad range of the Commission's recommendations and the second contains our specific proposals about Local Government, the nature of the reform needed and the form that will take.

Specifically, the White Paper sets out a wide ranging set of proposals for reforming local government both in terms of strengthening democracy, improving performance and building stronger relationships with communities and setting out proposals for a series of Local Authority mergers. The White Paper consultation closes on 1 October 2014 and I intend to publish further proposals during the Autumn.

The potential cost of merging Local Authorities has attracted a great deal of comment since the Commission published its report. We understand this, and the Commission and the Welsh Local Government Association (WLGA) have produced very different estimates of the possible costs, to which we return below. However, it is essential to put any cost implications into context.

Firstly, the Commission sets out starkly the severe and unsustainable financial pressures on our public services. These pressures are likely to continue for at least the next decade, whilst the demand for some services increases. Faced with these challenges, inaction is not an option. Costs will rise in any event as services begin to buckle under the strain. Neither can we afford to wait until a more favourable financial climate returns before we act.

Secondly, the severe financial pressures also mean it is not realistic to expect the Welsh Government to provide large injections of cash to meet the cost of mergers as central Government has often done in the past when Local Government has been restructured. One of the principles guiding these mergers must be to manage them in such a way to maximise the benefits and minimise the costs.

Thirdly, we have always been clear this is not just about pounds and pence. It is about improved performance, better governance, and stronger democracy, as well as making better use of limited resources. Efficiency and value for money are very important, but they are not the sole yardstick by which we will measure success.

The WLGA, based on work it commissioned from Deloitte, estimated the cost of mergers at between £200 million and £400 million, with recurrent annual savings of between £92 million and £100 million. The Commission examined the WLGA figures and concluded for a number of reasons they overestimated both the costs and potential savings. The Commission suggested the upfront costs might be between £80 million and £100 million, with recurrent savings of £60-£80 million per year.

The substantial variance in these figures is not surprising: the estimates of costs depend on the assumptions made in producing them, but as there is no precedent for the merger programme we are proposing, it is not possible to determine with certainty whether either approach is appropriate. However, we do recognise the need to assess the potential costs and benefits as far as reasonably practicable, and we will produce a draft Regulatory Impact Assessment which will accompany the second Local Government Bill we intend to publish in draft for consultation in the Autumn of 2015.

Earlier in 2014, the Minister for Local Government and Government Business asked each Authority for information on the approach it had taken to consultation and public engagement in setting its 2014-15 budget. The responses have been analysed and a prospectus of the best examples has been published on the Welsh Government's website and will be promoted to Authorities across Wales.

The Minister also published updates of Local Authority Services Performance and the Comparison of Regional Collaborative Areas. The publications include analyses of aspects of spending alongside performance.

The Distribution Sub Group, a working group which supports the Finance Sub Group of the Partnership Council for Wales, has continued its work on the detail of the formula for

distributing funding between the 22 Unitary Authorities in Wales to ensure the indicators used are up-to-date and provide the best available measures of relative need.

Review of Funding Flexibilities

This review has looked at the options for increasing the flexibility with which Local Authorities can make use of the resources provided to them by the Welsh Government. It has focused in particular on the scope to reduce the proportion of funding provided for specific purposes rather than as general funding which Local Authorities can use for any purpose within the powers available to them.

All relevant grants within my own MEG were depyothecated for 2014-15. In addition, there has been extensive engagement with Ministerial colleagues, a number of whom are reviewing the grants in their own portfolios, and we have consistently encouraged Local Government to consider ways in which they could provide assurances as to improved performance delivery if funding were dehypothecated. We have also invited Local Government to come forward with proposals for other potential mechanisms for providing flexibility.

Scrutiny in Local Government

I have made provision for the continued support of the Scrutiny Development Programme. This programme directly supports the development of scrutiny capability within Local Authorities and sponsors the work of the Centre for Public Scrutiny. In June 2014, the Centre launched 'Raising the Stakes: Financial Scrutiny in Challenging Times' which provides guidance to Authorities on the role of scrutiny in making effective budget decisions, including the consideration of impacts.

Transparency in Local Government

Under the ESF project under the Generic Theme of Citizen Engagement over 100 practitioners have had accredited training in public engagement, including the Third Sector Making the Connections Officers, LSB support and delivery project managers. This enabled them to apply the Welsh Government endorsed National Principles for Public Engagement to improve the engagement of the public, service users and wider stakeholders in the delivery and evaluation of service improvements and to support Scrutiny in some areas. This can be built on in 2015-16 to support the engagement aspects of the WFG Bill.

Funding provided to One Voice Wales will help to support the introduction of the requirement in the Local Government (Democracy) (Wales) Act 2013 for community councils to publish information on the Internet. We will also seek to facilitate a single contract for the provision of web-streaming services to local government to assist with the broadcasting of council meetings.

As part of our Reforming Local Government programme, we will consult on ways in which we might further encourage greater openness, transparency and accountability in local government.

We will continue to provide funding from within the Building Local Democracy budget to follow through on the recommendations of the report of the Expert Group on Local Government Diversity, with the aim of a diverse set of candidates standing for election to local government in 2017.

Community Safety

We are protecting funding for Community Support Officers (CSOs) with £16.8m in 2015-16 to maintain our Programme for Government commitment to put 500 CSOs on the beat. This investment makes an important contribution to preventive spend as CSOs work with local primary schools on crime prevention; providing reassurance to over-60s groups; helping local businesses address shoplifting, as well as taking part in searches, seizures of alcohol and tobacco and house to house inquiries for criminal investigations.

Our commitment to improving the lives of vulnerable children and young people is demonstrated by our decision to maintain the Youth Crime Prevention Fund (YCPF) at £4.9 million in 2015-16. The YCPF supports projects which aim to prevent children and young people from becoming involved in crime and anti social behaviour. The YCPF is contributing to the achievements of the youth justice system in recent years which has seen reducing numbers of first time entrants. Between the financial years 2012/13 and 2013/14 there was a 26.5% reduction in FTE in Wales¹. The numbers of children and young people in custody continue to fall and in June 2014 there were 47 young people from Wales in custody.² The funding is allocated via a funding formula and is distributed to Youth Offending Teams or Community Safety Partnerships in Wales to support local and regional projects. Protecting the YCPF will assist in delivering Children and Young People First, a joint Welsh Government Youth Justice Board strategy to improve services for young people from Wales at risk of becoming involved in, or in, the youth justice system. The strategy was launched and published in July 2014, and continues the Welsh Government's long-standing approach to youth justice, which is to treat those involved in offending behaviour, or at risk of offending, as children and young people first. This is in line with the United Nations Convention on the Rights of the Child (UNCRC), and with Welsh Ministers' duties under the Children and Young Persons (Wales) Measure 2011 to have regard to the Convention.

Equality, Sustainability and Consideration for the Welsh language

¹ "These figures are provisional, the final 2013/14 and 2014/15 figures will be updated in the respective annual Youth Justice Statistics publication".

² " Note these figures are a monthly snapshot of the custodial population, taken on the last Friday of the month or first Friday of the following month, depending on which is nearer to the actual month end"

Each Local Authority is an autonomous, democratically elected body which is accountable to its electorate for the decisions it makes. Authorities have a series of statutory duties and functions, and powers to provide a range of other functions and services. They deliver a range of key services many of which, by their nature, are targeted towards people with protected characteristics and make a significant contribution to tackling poverty. For example, Local Authorities have statutory duties to protect children and vulnerable adults and to provide education services. They also have duties to provide many other services, as well as a duty to promote the social, economic and environmental well-being of their communities. It is not possible for us to identify the equality impact of the general revenue funding reduction on each Local Authority service with precision. This is because it will vary locally from Authority to Authority depending on the decisions each makes in the coming months about its individual budget. For example, some Authorities may join with others to deliver services, some may review their charging policies, some may draw on reserves, some may look to outsource services, others may look to raise Council Tax in order to mitigate and manage these reductions. Each Authority will make decisions based on local need and priorities and must assess the impact of its proposals and decisions on protected groups and in relation to their wider functions.

Over the first three years of the 2010 Spending Review period, Local Government in Wales was protected from the worst of the cuts to public funding. In providing this protection, we made it clear this was to enable Local Government to rethink and reform services in order to prepare for the challenges ahead. This approach has been underpinned by a programme of work taken forward in conjunction with other public service partners under the auspices of the Partnership Council for Wales to support collaboration, innovation and the redesign of services.

Local Government in Wales has continued to be better supported compared with Authorities in England. Over the period 2009-10 to 2014-15 spending per head in Wales by local Government has **increased** by 3% in cash terms this compares with England where spending per head in England has **reduced** by 7%. Spending by Local Government in Wales per head of population is approximately £327 higher in 2014-15 than in England.

The challenges are testing but short-term decisions, for example to close leisure centres or libraries without consideration of the longer term impacts on health and literacy, will store up problems for the future and will not provide a sustainable approach to managing the budget reductions.

Alongside these budget considerations, Local Authorities must undertake their own equality impact assessments as they progress through their budget-setting processes and we expect these to consider fully the implications of their proposed spending decisions.

Monitoring and Evaluation to Demonstrate Value for Money

Numerous papers and analyses developed specifically in connection with the engagement arrangements outlined above. Welsh Government analyses including *Local Authority Services*

Performance 2012-13, Comparison of Regional Collaborative Areas 2014. Wales Audit Office reports including *Meeting the Financial Challenges Facing Local Government in Wales.* Material submitted by Local Government including *Local Government Expenditure in Wales: Recent Trends and Future Pressures.*

Within the funding support for local government is provision for council tax reduction schemes. The arrangements for council tax support were subject to a comprehensive review during 2013 and 2014 schemes. The review included detailed consideration of numerous sources of evidence regarding the experiences and impacts of schemes in 2013-14 including work carried out by the Institute for Fiscal Studies, the National Audit Office and our own analysis of data collected from each Authority in Wales.

Evaluation work underway on LSB activity and the Regional Collaboration Fund will further enhance the information and evidence we hold on delivering new approaches/ best practice and provide more evidence to help quantifiable evidence for future planning..

The Welsh Government continues to work with the FRAs in challenging times to provide better and more efficient services by targeting resources to achieve better outcomes and to make communities safer from the dangers of fire.

The “2012 Onwards” Framework sets out an increase focus on improving efficiency and value for money, FRAs need to be innovative in planning and designing their services and consider the most effective use of staff in terms of delivering both front line and support services.

6. Preventative Spending

Local Government

Local Government continues to play a key role in the transformation of public services, including the drive to increase investment in preventative approaches. We have worked with Local Authorities to actively encourage a shift towards preventative spend, through the Public Service Reform programme and we will continue to work in partnership to support Local Authorities in managing their budgets in the most efficient and effective ways, both to minimise the impact on the delivery of core services now and to reduce demand in the future.

We have also under the Public Services Leadership Group and the LSBs supported work on new approaches and integrated working to support preventative approaches. A number of projects funded under the Regional Collaboration Fund and the Intermediate Care Fund also involve delivery of preventative approaches to improve service user outcomes.

Community Support Officers

Funding for the additional 500 Community Support Officers has been protected as one of the “Five for a Fairer Future” commitments in the Programme for Government. All 500 CSOs have

now been recruited and deployed and the funding provides for this level of front-line resource to be maintained. CSOs have a crucial role to play in their communities. Welsh Government funded CSOs are working with local primary schools on crime prevention; providing reassurance to over-60s groups; helping local businesses address shoplifting, as well as taking part in searches, seizures of alcohol and tobacco and house to house inquiries for criminal investigations. They are also active in Communities First Clusters, supporting the tackling poverty agenda. The additional 500 Welsh Government CSOs represent a significant contribution to the number of officers on the beat in Wales.

We have commissioned the Universities' Police Science Institute at Cardiff University (UPSI) to appraise the impact of the additional 500 CSOs across the Welsh Forces and British Transport Police. The project formally commenced in March 2013 and the final report is expected to be available by the end of 2014. It will report on the impact of the additional Welsh Government investment in making communities feel safer and tackling perceptions of crime and anti-social behaviour.

Domestic Abuse

The Domestic Abuse budgets make an important contribution to the preventative spend and tackling poverty agendas. The annual cost of domestic abuse in Wales is estimated to be £826.4m and evidence from Co-ordinated Action Against Domestic Abuse (CAADA) suggests that, every £1 spent towards domestic abuse services saves the public purse £2.90. Emerging evidence also suggests that victims in poverty are more likely to experience gender-based violence, domestic abuse and sexual violence. The Domestic Abuse Services Grant supports these vulnerable people through ensuring services are available to all, regardless of gender, ethnicity or social standing.

Youth Justice

The Youth Crime Prevention Fund supports projects aimed at diverting young people away from crime and anti-social behaviour. This includes projects relating to education, training, leisure, arts, sports, restorative justice, and initiatives to combat substance misuse. All projects must be relevant to the prevention and reduction of youth crime, and deliver collaborative outcomes which meet national and local priorities across a broad range of associated priority areas such as child poverty, mental health, domestic abuse and substance misuse. Preventing children at risk of offending from doing so, and keeping them out of the justice system, will also help to improve their prospects of training and employment and reduce the risk of them getting into poverty.

Fire and Rescue Services

In assessing the impact of reductions to the Community Fire Safety Revenue and Capital budget, it is important to understand long-term trends in the incidence and severity of fire, and thus on the work of the fire service. The following highlight this:

- There has been a major, sustained and long-term reduction in the incidence of fires across Wales. 2013-14 figures show 53% fewer fires than in 2005-6.
- Data for different categories of fires also show a sustained reduction in the longer term. These include fires in dwellings and deliberately-set fires. Malicious false alarms are also falling.
- Death and casualty rates in fires show a similar (and if anything slightly greater) rate of decline over the same period.
- While there is some detailed variation, in general these trends are sustained by all three Welsh fire services.

Similar trends are also visible in England. They reflect both the preventative work undertaken by fire services and wider changes such as a reduced incidence of smoking and tighter fire safety regulations (for instance relating to building and furnishing materials). It is not possible to disentangle the two and to establish exactly how effective preventative work by the fire service is or has been.

As a result of the steep decline in the incidence of fire, the work of fire services is increasingly focused on preventing fires, reducing the risk of fire and improving fire awareness and fire safety, rather than on responding to incidents. In other words, preventative work is increasingly the substantial core business of the service, and is managed and funded accordingly. It should be noted in this context that real-terms expenditure and capacity of Welsh fire services has fallen only marginally in the past 10 years.

Community Fire Safety grants have hitherto been used to fund some of this preventative activity, including work with vulnerable groups in particular:

- Home Fire Safety Checks: provide advice on safety in the home and smoke detectors where appropriate (including hard of hearing alarms and other specialist intervention/preventative equipment to protect the most vulnerable)
- Youth initiatives (Phoenix and Crime & Consequences): where children who are identified as at the cusp of offending or have offended take part in a programme of activity.
- Arson reduction: working with other agencies to target incidents of arson and anti social behaviour. Intervention ranges from overt presence in areas where deliberate fire setting is known to occur to education and police action.
- Road Safety: Working with other agencies such as Local Authorities, Police and Ambulance Service on work to reduce road traffic collisions. Work focusses on those at

risk of danger (usually 17-24 year age group). This road safety intervention is targeted at young drivers of vehicles and the cause and effects of their actions

7. Provision for Legislation

Legislation	Action/SPA	Resource/Capita	£
Gender-based Violence, Domestic Abuse and Sexual Violence (Wales) Bill	Domestic Abuse	Resource	383,100
LG (Byelaws) Act 2012			0
LG (Democracy) Act 2013	Building Local Democracy	Resource	8,000
LG No. 1 (Wales) Bill (working title)	Legislation and Transformation	Resource	0
LG No. 2 (Wales) Bill (working title)			0

Local Government No. 1 (Wales) Bill

To be introduced in January 2015, the Bill will provide the powers necessary to enable and facilitate preparatory work for a programme of Local Authority mergers, but it will not contain specific merger proposals. Subject to National Assembly approval, it is anticipated the Bill will receive Royal Assent in the autumn 2015. The Bill will enable the Welsh Ministers to consider proposals from Local Authorities seeking to merge early. It will enable the Local Democracy and Boundary Commission for Wales and the Independent Remuneration Panel for Wales to commence work on electoral arrangements and remuneration for proposed new authorities. It will include powers for the Welsh Ministers to require Authorities to establish Joint Transition Committees to prepare for merger and powers to enable Ministers to take steps to prevent actions by existing or shadow authorities which might be prejudicial to the new merged authorities. The financial impact of the Bill in 2015-16 arises from funding the Local Democracy and Boundary Commission to begin work on reviews of electoral arrangements for proposed new principal areas.

We are committed to supporting Authorities wishing to take part in the early merger process. As part of this, we will review the initial estimates of such proposals set out in Local Authorities' expressions of interest and the costs and benefits in the more detailed cases for change to follow, and give them consideration within our own budget planning and allocation cycle.

Local Government No. 2 (Wales) Bill

This Bill is the main legislative vehicle for the merger and reform of Local Authorities under the Welsh Government's Reforming Local Government Programme. A draft Bill will be issued for consultation in the autumn 2015, prior to introduction into the National Assembly following the 2016 elections. As such, this Bill has no financial impact in 2015-16 but we will produce a draft Regulatory Impact Assessment which will accompany the draft Bill.

Leighton Andrews AM

Minister for Public Services

LOCAL GOVERNMENT MAIN EXPENDITURE GROUP (MEG)						ANNEX 1
RESOURCE BUDGET - Departmental Expenditure Limit						£000
SPA	Actions	BEL Title	2014-15 Supplementary Budget	2015-16 Indicative Budget	Adjustments	2015-16 Draft Budget
Local Government Funding	Funding Support for Local Government	Community Support Officer Grant	16,787	16,787		16,787
		Unitary Authority Revenue Funding (RSG & NDR)	4,270,889	4,175,403	-53,682	4,121,721
		Police Gen Revenue Funding (RSG & NDR)	140,000	136,000		136,000
		Local Govt PFI Revenue Consequences	3,919	33,599	-29,812	3,787
		Transformation and Legislation	3,200	3,400	-455	2,945
		Regional Collaboration Fund	5,174	0	5,174	5,174
		Non Domestic Rates: Collection Costs	5,172	5,172		5,172
		Emergency Financial Assistance Scheme	1	1		1
		Council Tax Reduction Scheme: Pensioner Grant	0	4,000	-4,000	0
		ACTION TOTAL	4,445,142	4,374,362	-82,775	4,291,587
	Valuation Services	Valuation Office Agency	8,561	8,861		8,561
		Valuation Tribunal for Wales	1,232	1,232	-32	1,200
		ACTION TOTAL	9,793	9,793	-32	9,761
	SPA TOTAL		4,454,935	4,384,155	-82,807	4,301,348
Safer Communities	Fire and Rescue Services Resilience	Fire and Rescue Services Resilience	5,027	5,027	-250	4,777
		ACTION TOTAL	5,027	5,027	-250	4,777
	Fire and Rescue Services National Framework	Community Fire Safety	2,138	2,025	-995	1,030
		ACTION TOTAL	2,138	2,025	-995	1,030
	Domestic Abuse	Domestic Violence Services Grant	4,000	4,000	100	4,100
		ACTION TOTAL	4,000	4,000	100	4,100
	Youth Justice	Youth Justice Services	5,200	5,200		5,200
	ACTION TOTAL	5,200	5,200		5,200	
	SPA TOTAL		16,365	16,252	-1,145	15,107

Improving Services, Collaboration and Democracy	Building Local Democracy	Local Government Scrutiny & Standards	301	301		301
		LGBC General Expenses	520	520		520
		ACTION TOTAL	821	821		821
	Local Government Improvement	Outcome Improvement Grants	31,288	31,288	-38	31,250
		Improvement and Audit	2,766	2,765	-524	2,241
		Research and Evaluation	800	800	-200	600
		ACTION TOTAL	34,853	34,853	-762	34,091
	Intermediate Care Fund	Intermediate Care Fund	35,000	0	0	0
		ACTION TOTAL	35,000	0	0	0
	Supporting Collaboration and Reform	Local Government Ethics & Regulation	160	160		160
		Local Service Boards & Partnerships	430	430		430
		LSB & Partnerships - ESF Projects	1,119	150		150
		Public Service Reform	1,500	1,500	-1,065	435
		Regulation & Engagement Framework.	194	194		194
		ACTION TOTAL	3,403	2,434	-1,065	1,369
	SPA TOTAL		74,077	38,108	-1,827	36,281
Care and Social Services Inspectorate	Care and Social Services Inspectorate	Care and Social Services Inspectorate	14,461	14,461		14,461
	SPA Total		14,461	14,461		14,461
Healthcare Inspectorate Wales	Healthcare Inspectorate Wales	Healthcare Inspectorate Wales	2,591	2,591		2,591
	SPA Total		2,591	2,591		2,591
Estyn	Estyn	Estyn Programme Expenditure	11,664	11,664		11,664
	SPA Total		11,664	11,664		11,664
	Total Resource - Local Government		4,574,093	4,467,231	-85,779	4,381,452

CAPITAL BUDGET - Departmental Expenditure Limit						
SPA	Actions	BEL Title	2014-15 Supplementary Budget	2015-16 Indicative Budget	Adjustments	2015-16 Draft Budget
Local Government Funding	Local Government General Capital Funding	General Capital Funding	20,000	20,000		20,000
	SPA TOTAL		20,000	20,000		20,000
Safer Communities	Fire and Rescue Services Resilience	Fire and Rescue Services Resilience	1,000	1,000		1,000
		ACTION TOTAL	1,000	1,000		1,000
	Fire and Rescue Services National Framework	Community Fire Safety	1,339	1,339	-669	670
		ACTION TOTAL	1,339	1,339	-669	670
	Domestic Abuse	Domestic Violence Services Grant	300	300	669	969
		ACTION TOTAL	300	300	669	969
	SPA TOTAL		2,639	2,639	0	2,639
Estyn	Estyn	Estyn - Programme Expenditure	281	281		281
	SPA TOTAL		281	281		281
	Total Capital - Local Government		22,920	22,920	0	22,920

Local Government - Summary		2014-15 Supplementary Budget	2015-16 Indicative Budget	Adjustments	2015-16 Draft Budget
Revenue DEL		4,574,093	4,467,231	-85,779	4,381,452
Capital DEL		22,920	22,920		22,920
Total DEL - Local Government		4,597,013	4,490,151	-85,779	4,404,372

