

Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association



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LG Finance & Reform

Cross Party Group for North Wales

Ty Hywel

18 June 2019

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Local Services are Essential



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Council services:

- Support and protect the most vulnerable in society
- Tackle inequalities in society
- Promote a fairer Wales through inclusive growth

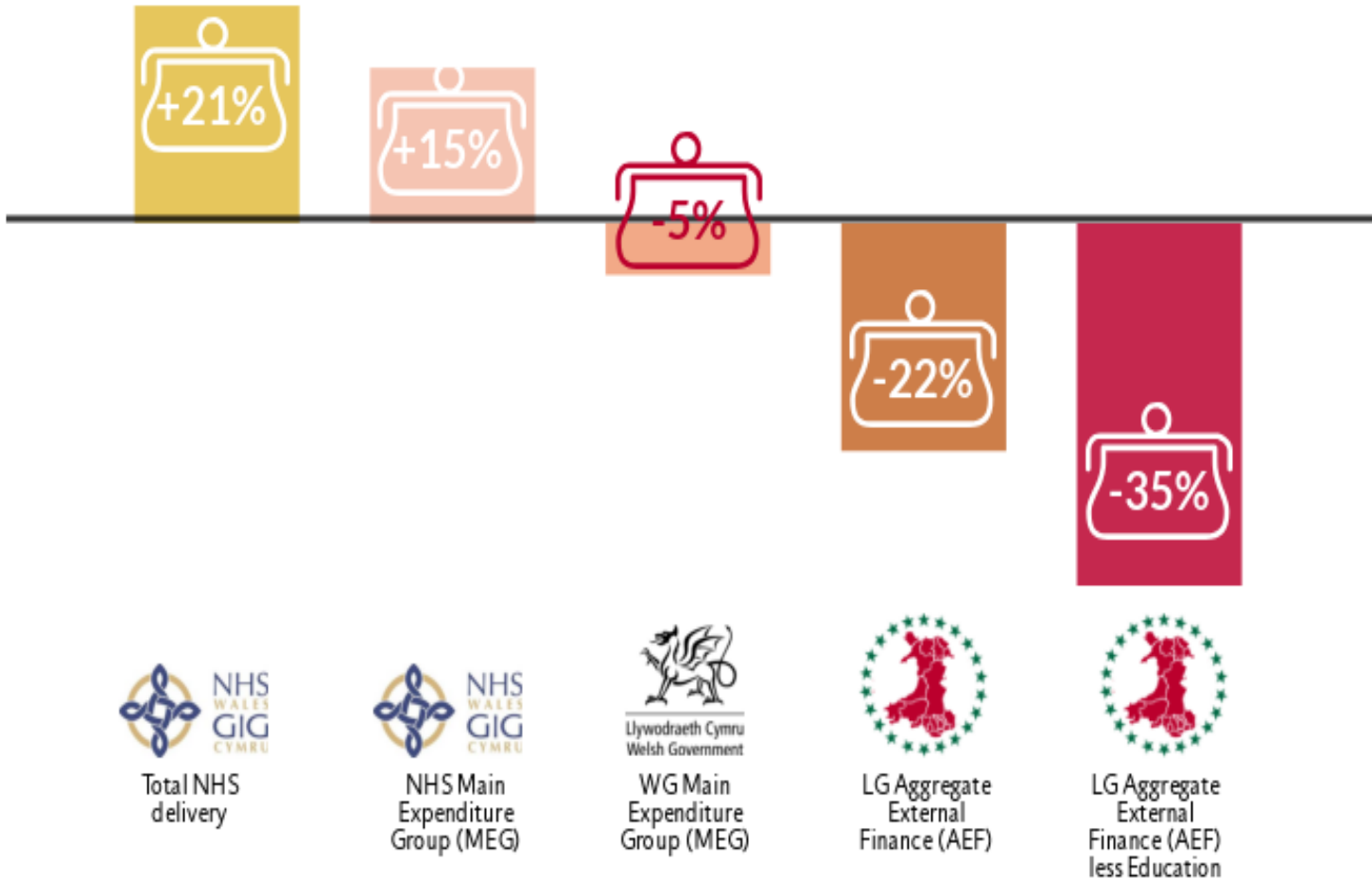
Local government is the economic bedrock of Wales:

- employing over **10%** of the Welsh workforce and educating and training our future workforce
- spending **£3.5bn** on goods and services in national & local economies
- promoting economic growth in all 4 regions

Change in Funding since 2009-10



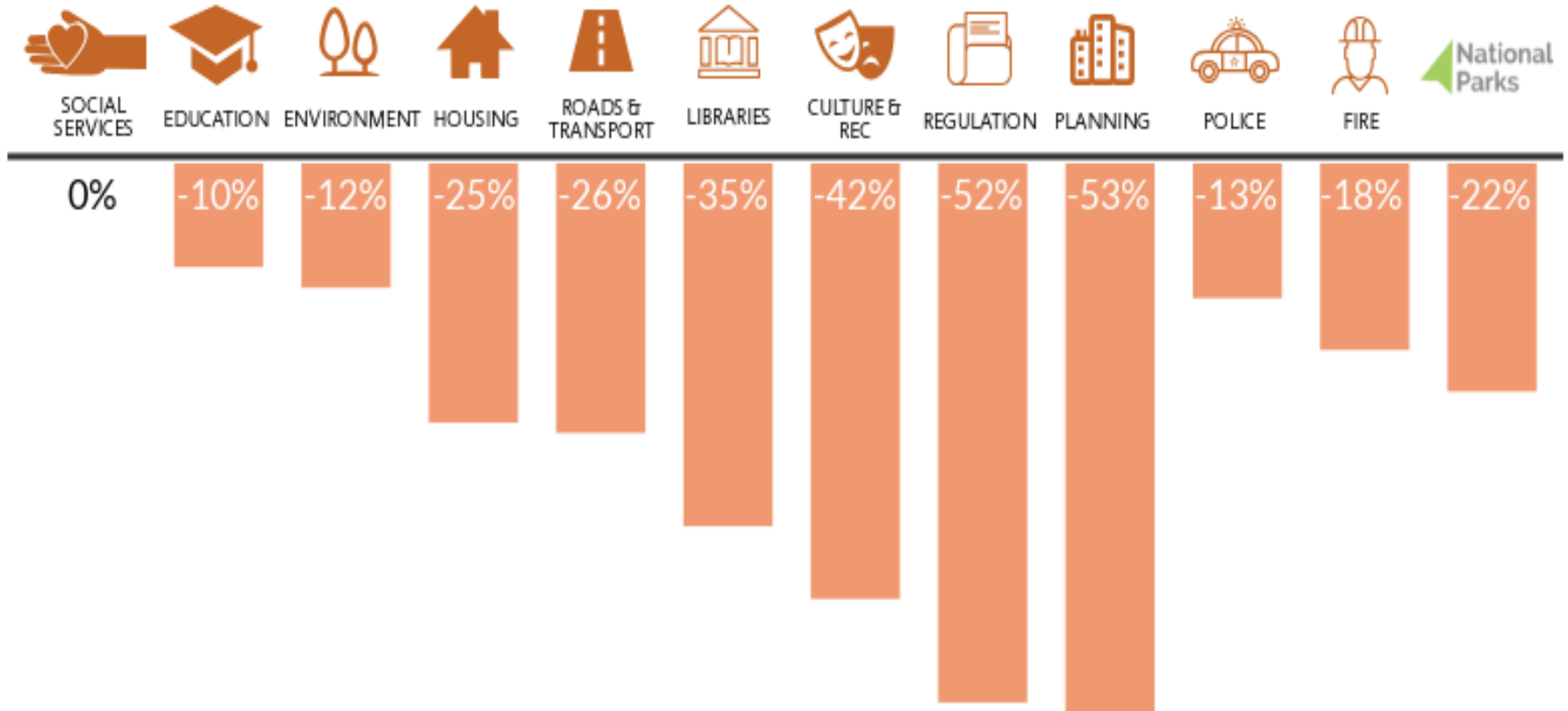
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Service spending since 2009-10



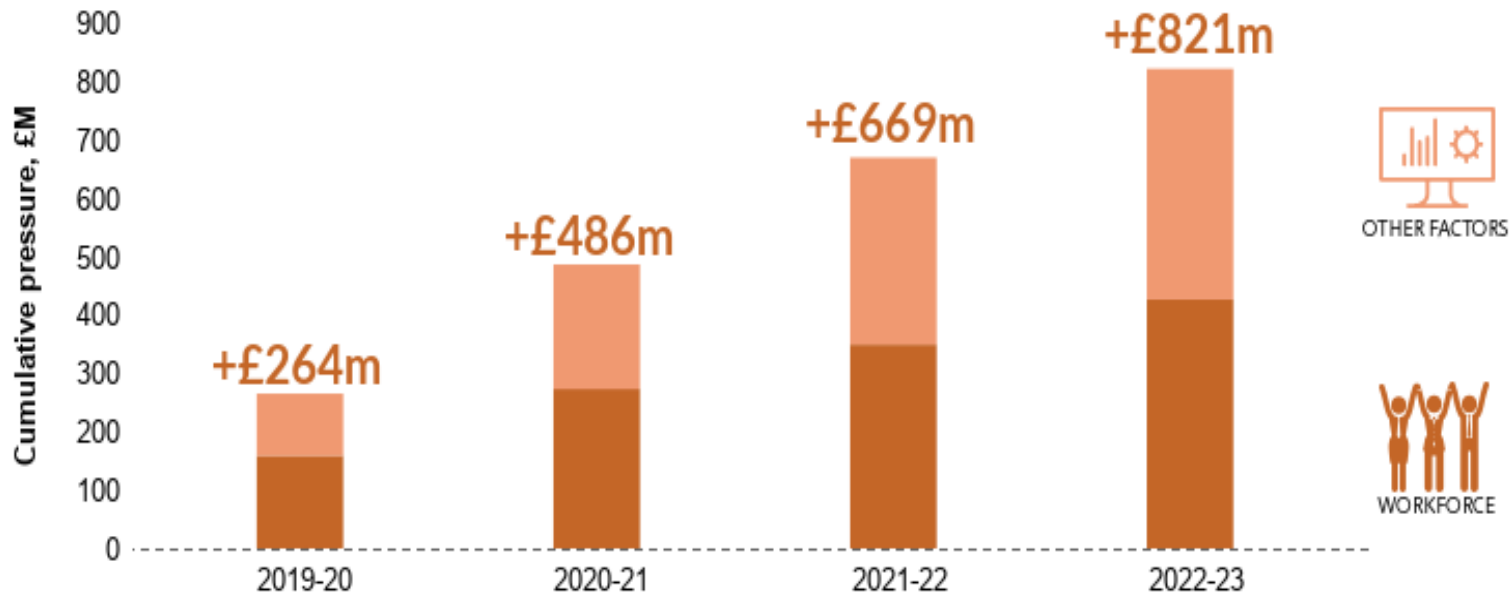
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What local services need in the medium-term



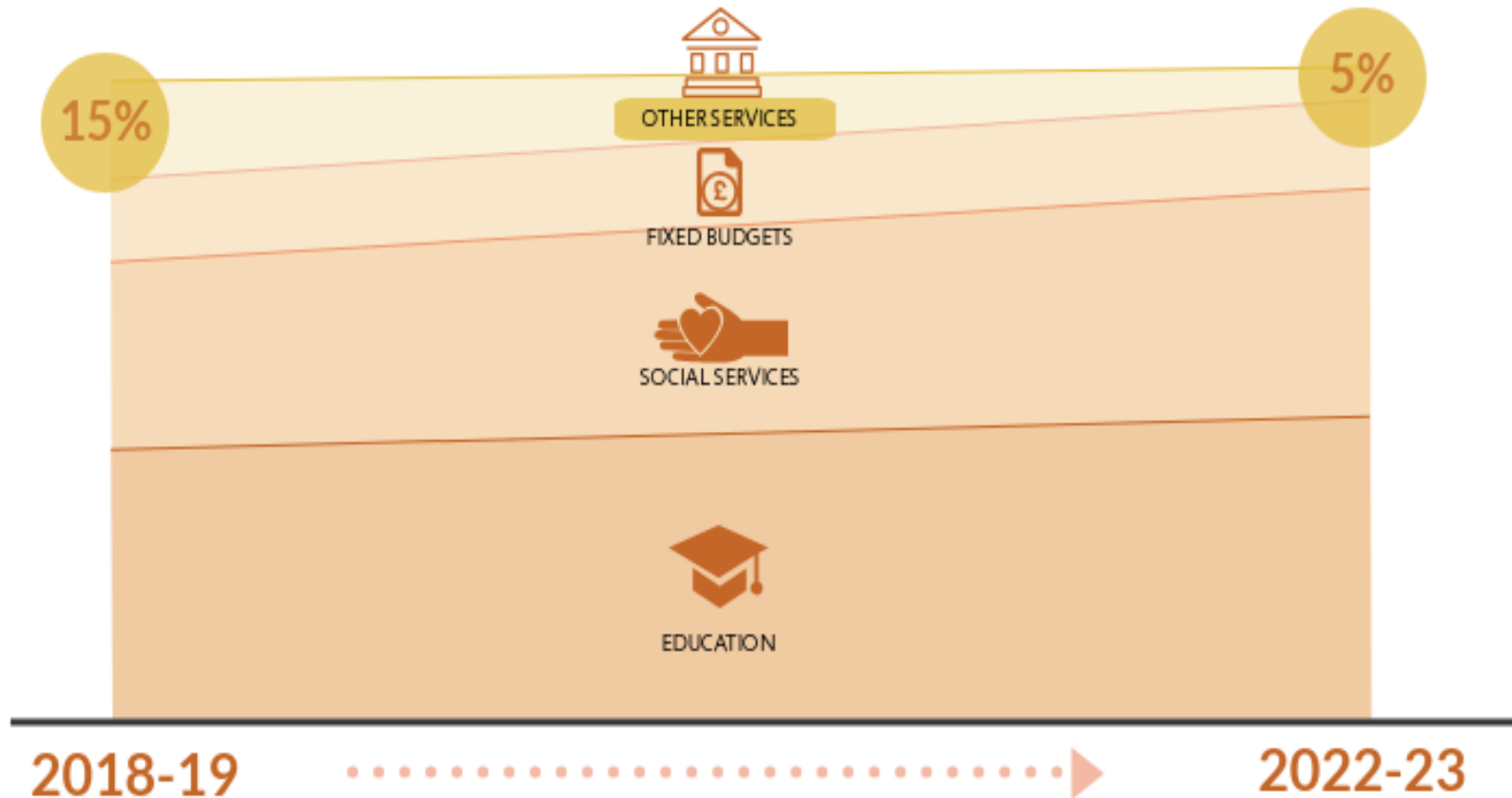
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The structure of budgets for local services



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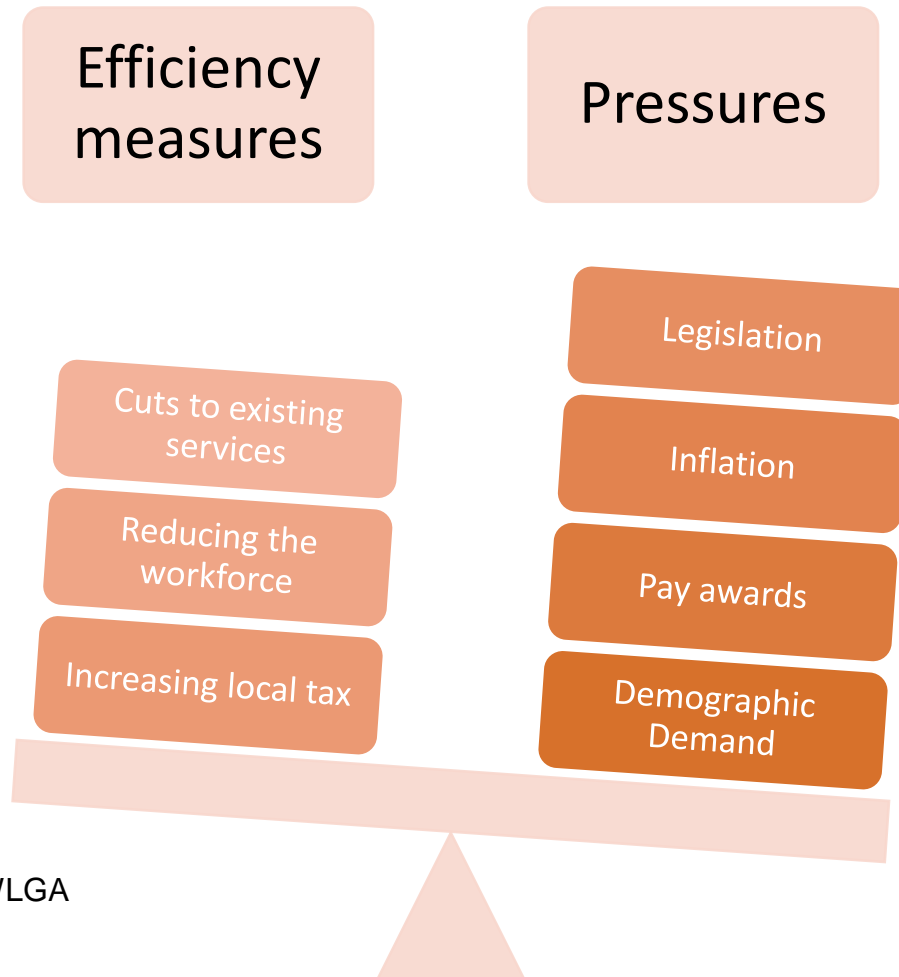


Source: WLGA

Local Services at a Tipping Point



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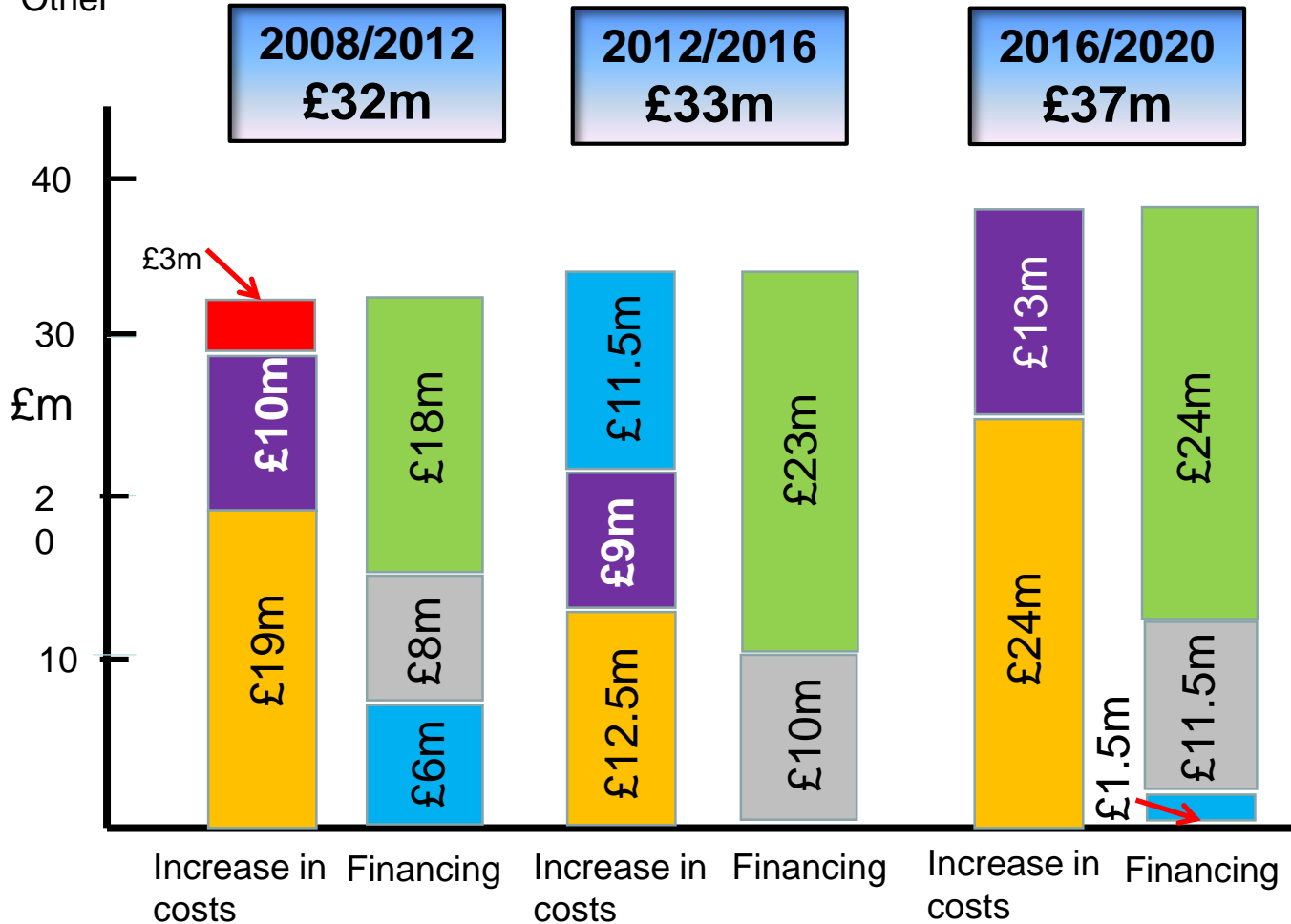


Source: WLGA

Financial History

- Inflation
- Increased Demand
- Other

- Government Grant
- Savings
- CT increase



12 year summary	
Increase in costs	£m
Inflation	55.5
Increased demand	32.0
Other	3.0
Grant reduction	4.0
Financed by	
Council Tax	29.5
Savings	65.0



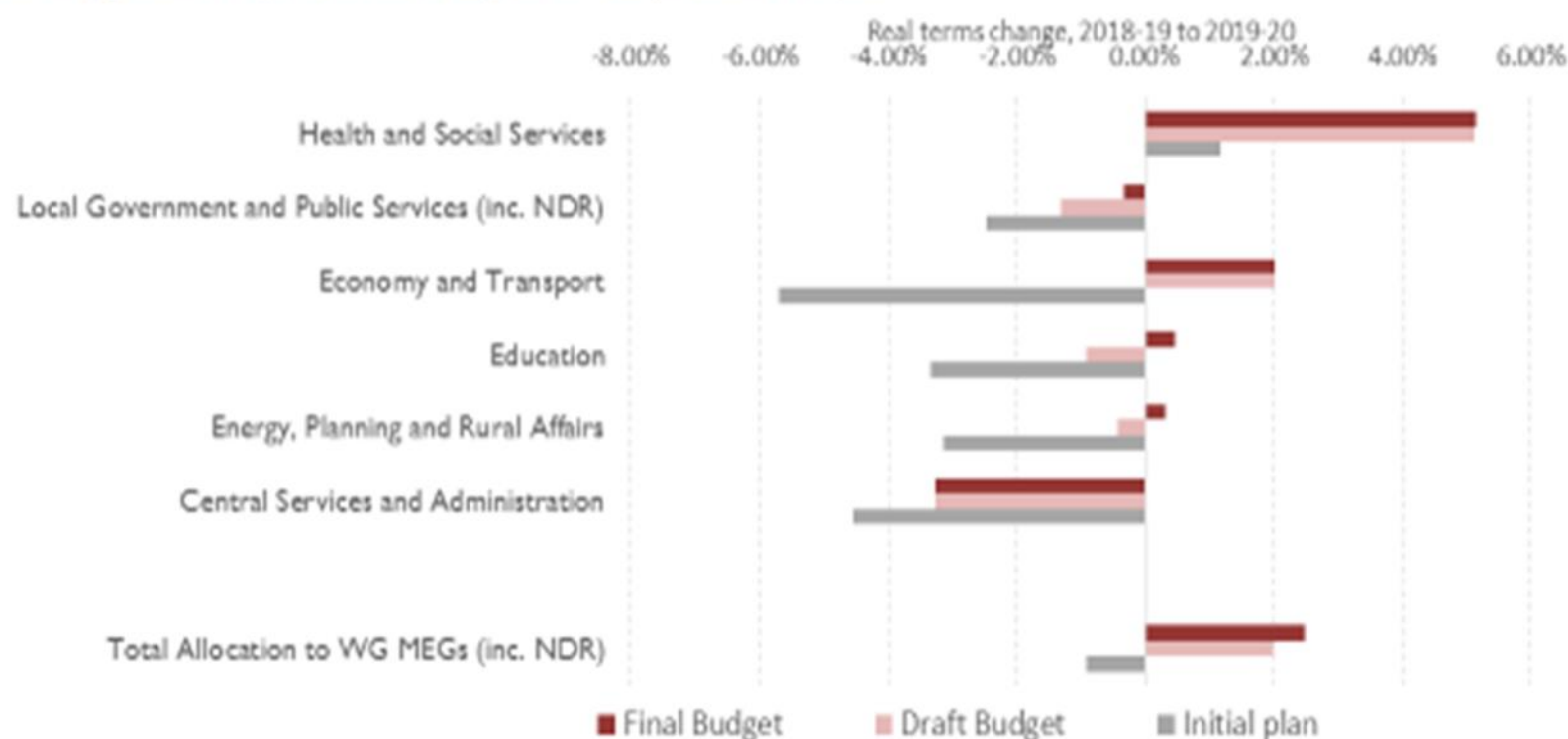
RHOI POBL GWYNEDD YN GANOLOG I BOPETH RYDYM YN EI WNEUD • PUTTING THE PEOPLE OF GWYNEDD AT THE CENTRE OF EVERYTHING WE DO

Dyraniadau rhwng adrannau

Allocations between departments

Sut wnaeth cynlluniau gwariant o ddydd-i-ddydd Llywodraeth Cymru ar gyfer 2019-20 newid o gynlluniau Cyllideb Derfynol 2018-19 (bariau llwyd) i'r Gyllideb Ddrafft 2019-20 (bariau coch golau) i'r Gyllideb Derfynol 2019-20 (bariau coch tywyll) ...

How Welsh Government day-to-day spending plans for 2019-20 changed from Final Budget 2018-19 plans (grey bars) to the Draft Budget 2019-20 (light red bars) to the Final Budget 2019-20 (dark red bars)...



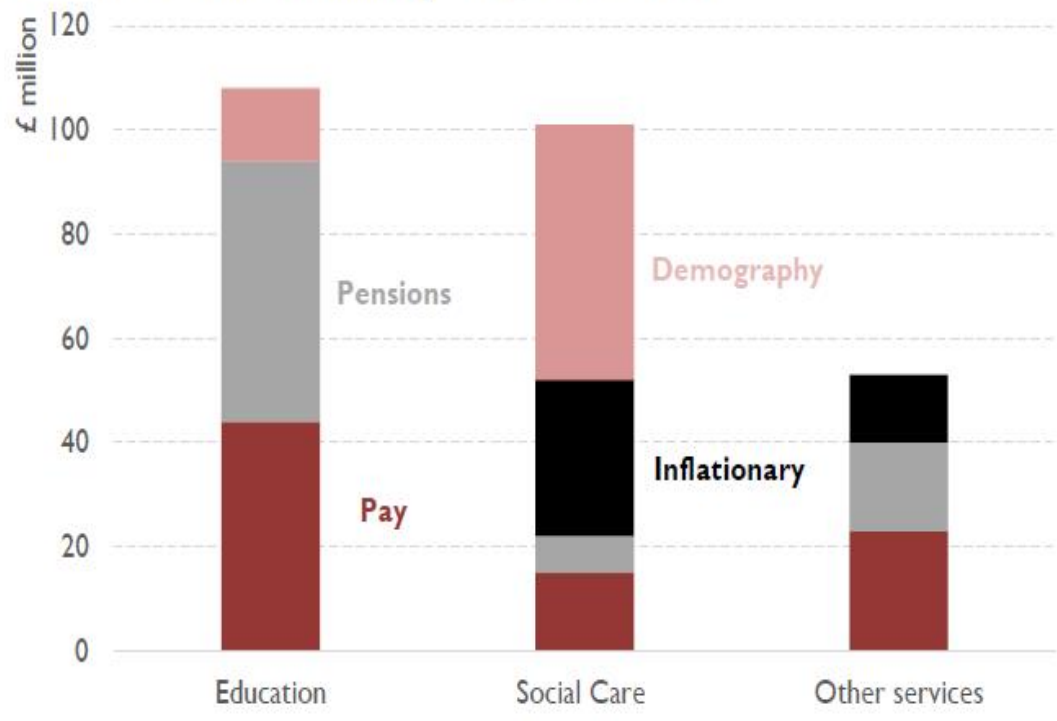
“Cyntaf yn y linell?” “First in the queue?”



The Welsh Government's Finance Secretary Mark Drakeford must now work with the hand he's been dealt by the Treasury. **Welsh councils have already been told that they are "first in the queue"** when extra cash is dished out.

For now, Mr Drakeford insists he can find no evidence in the figures in front of him that austerity is ending as a result of what he calls a "jam-tomorrow" budget.

Pressures on local authority budgets in 2019-20

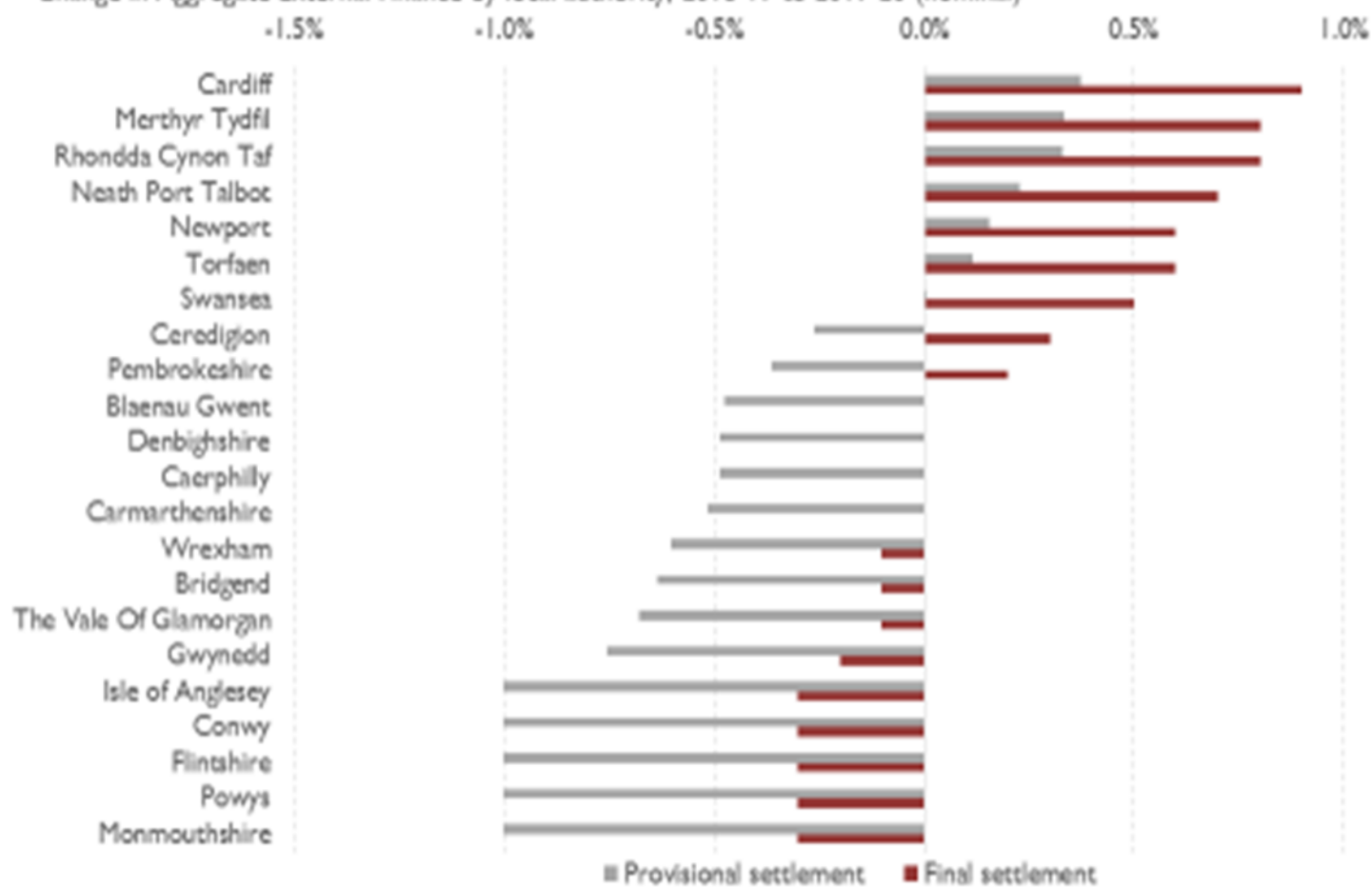


Source: Welsh Local Government Association

Cyllid Llywodraethau Lleol

Local government finance

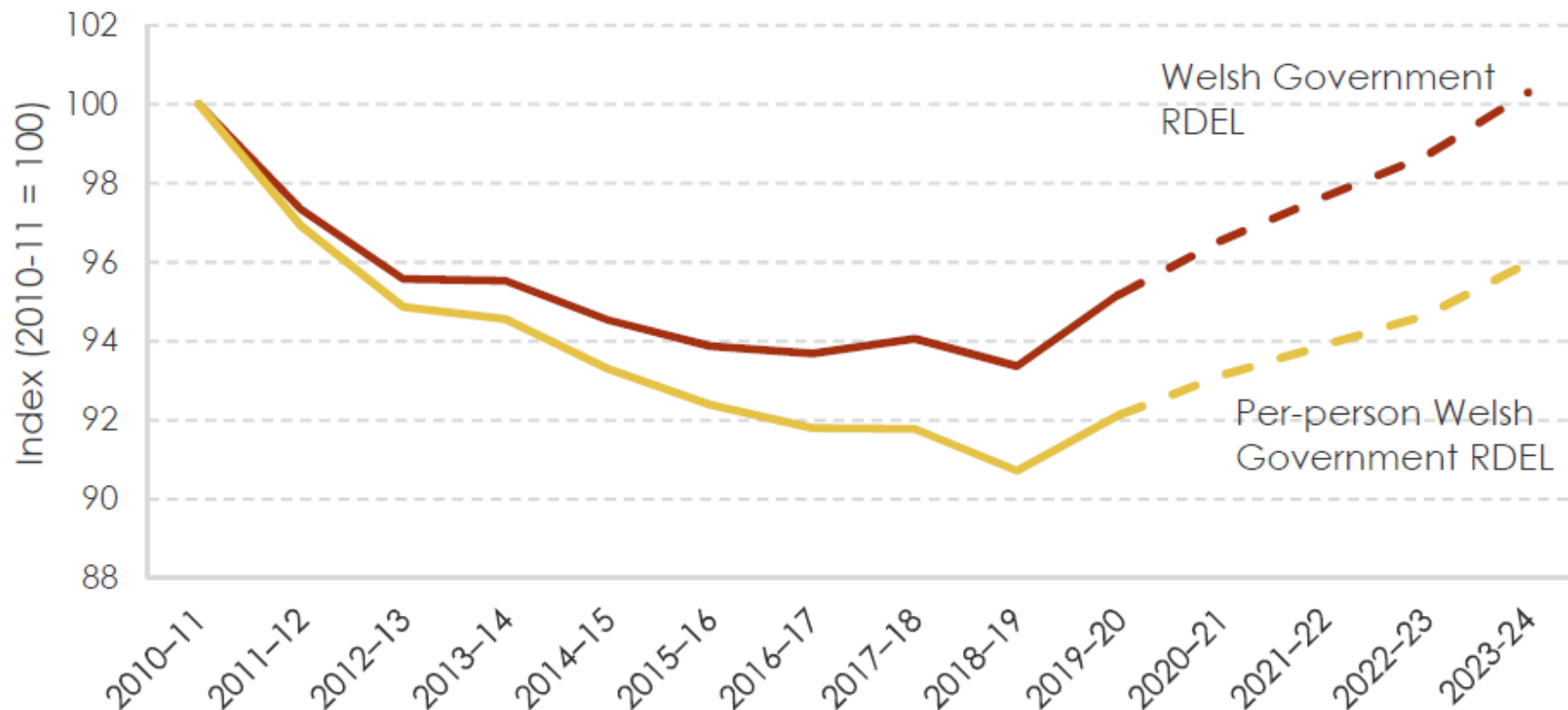
Change in Aggregate External Finance by local authority, 2018-19 to 2019-20 (nominal)



Projections for WG Budget (RDEL) up to 2023-24



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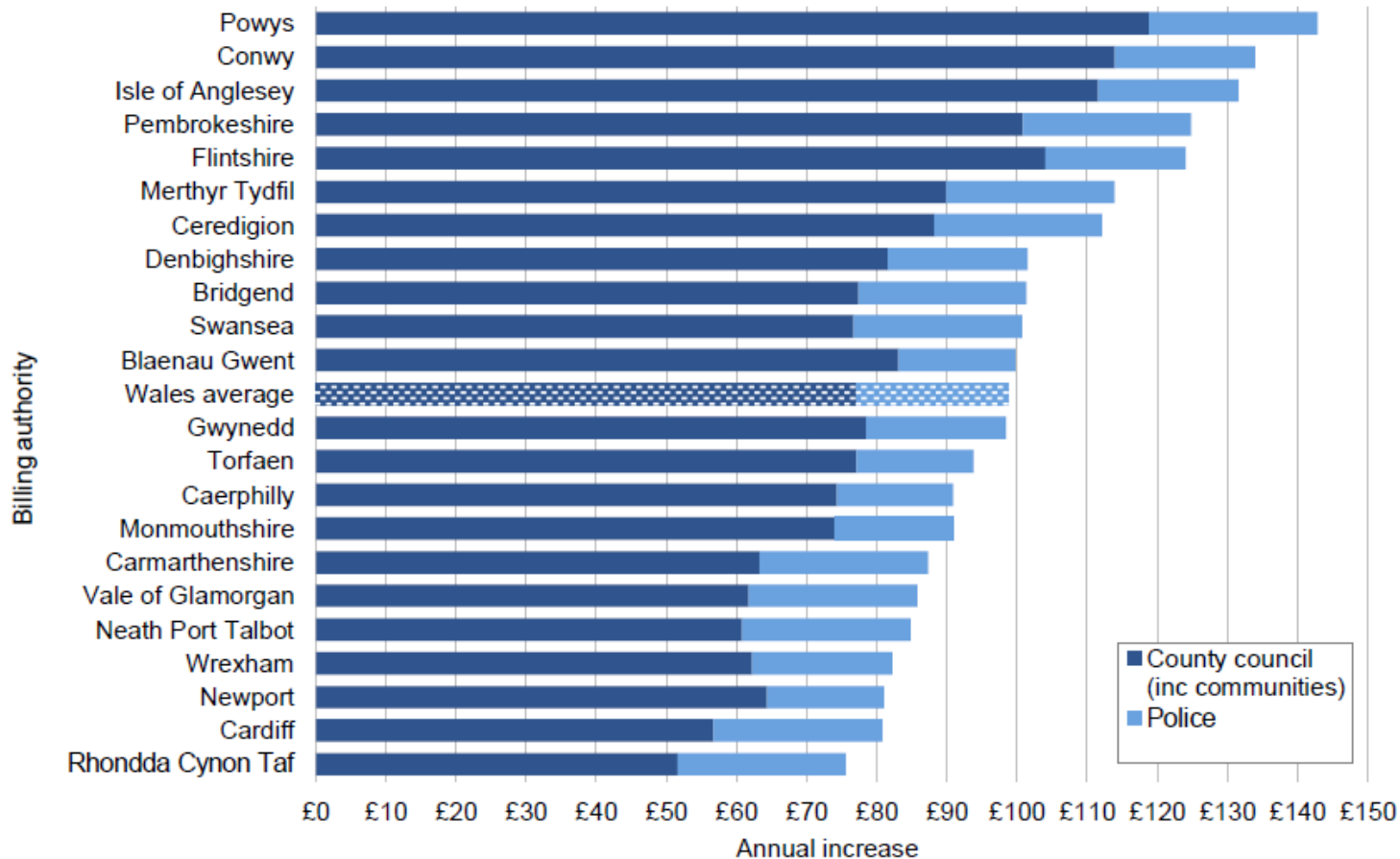


Source: Wales Fiscal Analysis, Cardiff University

2019-20 Annual increase in Council Tax



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Source: Statswales

Local Government Reform



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Working Group on Local Government – Next Steps

- Chaired by Derek Vaughan
- Core task was to develop a shared agenda for reform
- A clear set of shared principles to underpin discussions and any future delivery of regional working.
- Mapped out a significant amount of collaborative partnership working on both a voluntary and statutory basis throughout Wales.
- Joint review of the strategic partnership landscape to identify the key areas where there is felt to be unnecessary complexity or duplication

Local Government Reform



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- Creation of Statutory Joint Committee to deliver a single consistent, simplified and straightforward vehicle for democratically accountable regional working
- Welsh Ministers be able to require local authority functions to be delivered regionally for certain service areas
- WLGA to coordinate the development of a Code of Collaborative Practice for adoption by all local authorities
- A new Improvement and Support function to provide support to authorities to deliver the innovation and service transformation
- A new sub group of the Partnership Council for Wales will be created, which will take forward some of the key recommendations of the Working Group

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Thank you for listening

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