

Agenda – Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 3	Naomi Stocks
Dyddiad: Dydd Mercher, 25 Hydref 2017	Clerc y Pwyllgor 0300 200 6565
Amser: 08.50	SeneddCymunedau@cynulliad.cymru

Rhag-gyfarfod (09.00 – 09.15)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

2 Cynnig o dan Reol Sefydlog 17.42 (vi) i benderfynu gwahardd y cyhoedd o eitemau 3, 6 a 7 o'r cyfarfod

3 Bil Ombwdsmon Gwasanaethau Cyhoeddus (Cymru): Brîff technegol

(09.00 – 10.00)

Gareth Howells, y Gwasanaethau Cyfreithiol, Comisiwn y Cynulliad

Joanne McCarthy, y Gwasanaeth Ymchwil, Comisiwn y Cynulliad

4 Craffu ar Gyllideb ddrafft Llywodraeth Cymru 2018–19: sesiwn dystiolaeth 1

(10.00 – 11.30)

(Tudalennau 1 – 33)

Y Cynghorydd Anthony Hunt, llefarydd ar Gyllid ac Adnoddau, Cymdeithas Llywodraeth Leol Cymru

Steve Thomas CBE, Prif Weithredwr, Cymdeithas Llywodraeth Leol Cymru

Jon Rae, Cyfarwyddwr Adnoddau, Cymdeithas Llywodraeth Leol Cymru

Steve Jones, Cadeirydd Cymdeithas Trysoryddion Cymru

5 Papur(au) i'w nodi



5.1 Llythyr at Ysgrifennydd y Cabinet dros Gymunedau a Phlant ynghylch gwneud i'r economi weithio i'r rheini sydd ag incwm isel

(Tudalennau 34 – 35)

5.2 Llythyr at yr Ysgrifennydd Gwladol dros Waith a Phensiynau ynghylch gwneud i'r economi weithio i'r rheini sydd ag incwm isel

(Tudalennau 36 – 39)

5.3 Llythyr oddi wrth yr Ysgrifennydd Parhaol at Siân Gwenllian ynghylch gwneud i'r economi weithio i'r rheini sydd ag incwm isel

(Tudalennau 40 – 43)

5.4 Gohebiaeth oddi wrth Tinopolis Cymru ynghylch gwneud i'r economi weithio i'r rheini sydd ag incwm isel

(Tudalennau 44 – 45)

5.5 Gohebiaeth oddi wrth Puffin Produce Ltd ynghylch gwneud i'r economi weithio i'r rheini sydd ag incwm isel

(Tudalen 46)

Egwyl (11.30 – 11.35)

6 Craffu ar Gyllideb ddrafft Llywodraeth Cymru 2018–19: trafod tystiolaeth a ddaeth i law o dan eitem 4

(11.35 – 11.50)

7 Ymchwiliad i Hawliau Dynol yng Nghymru: papur opsiynau

(11.50 – 12.10)

Mae cyfyngiadau ar y ddogfen hon

Summary

1. This paper summarises the main pressures facing local authorities across Wales and addresses the themes set out by the Committee. It is produced in the eighth year of austerity when local public services have faced at least £1bn in cuts across Wales. Our remaining workforce has been subject to the pay policy started in 2010, first with a two-year pay freeze, then with a 1% cap over the last five years. In this setting the WLGA's new Leader, Cllr Debbie Wilcox, has argued that "the philosophy of austerity that has dominated political discourse since 2008 has collapsed, to the point where hardly anyone still believes it."
2. WLGA fully recognises the scale of the cuts to the Welsh Government budget over this period. We also recognise the grave concerns of the Cabinet Secretary for Finance and Local Government surrounding the prospect of further deep cuts to follow and potential for a further £3.5 billion of cuts to come. If this was actioned, it would have an £175m impact on the Welsh budget. With massive service pressures, the financial position is becoming unsustainable. Councils are using their medium term financial strategies to plan for future savings requirements but there are clearly risks in terms of financial resilience, not least the burgeoning costs of social care.
3. It is because of this that the WLGA is firmly of the view that the current levels of financial stress faced by councils cannot continue. The Cabinet Secretary has expressed an ambition for greater financial certainty and the principle of 3 year financial settlements that will have to be balanced against UK-level uncertainty. This is vital in the next period as cuts become more difficult to deliver and the construction of a deal on this principle would be welcomed by WLGA.
4. Faced with the biggest budgetary challenges of any part of the Welsh public sector, local authorities have continued to demonstrate good financial management, effective stewardship of public money and the delivery of efficient public services. However, this process cannot be indefinite. For example, if the inescapable costs attributable to the workforce that are highlighted in this report are realised then there will be inevitable cuts to frontline services, and this will be evident to the public.

Local Government Settlement

5. At the time of writing, we were still absorbing much of the detail of the announcement of the Local Government Provisional Settlement on the 10 October. Our initial reaction is set out in the press release at annex I and we are awaiting much of the detail on specific revenue and capital grants. The key cost pressures are set out below and with a 0.5%, or £20m, reduction in

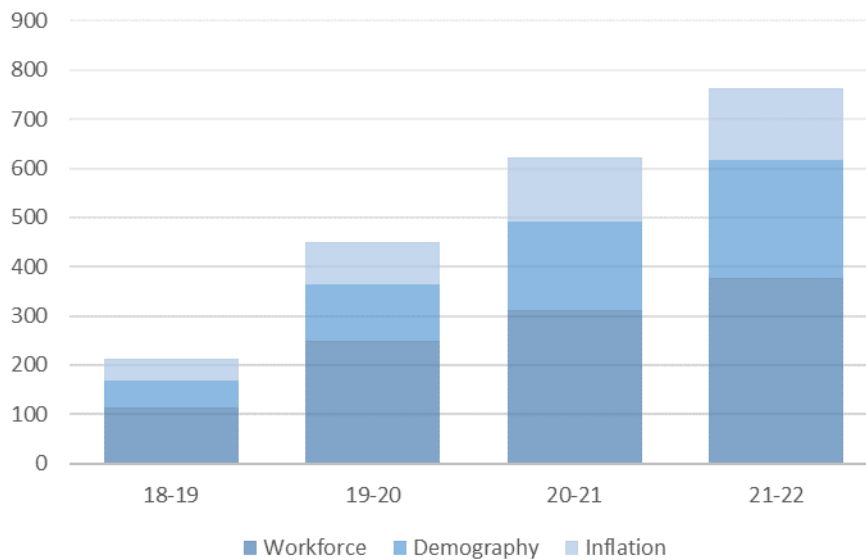
aggregate external finance, local authorities will be left to find around £237m in savings before any council tax increases are factored in.

Key cost pressures

6. Social services continue to account for the greater proportion of pressures which are now well documented by the Health Foundation and Wales Public Services 2025. Prolonged austerity has meant that pressures in social services budgets are being met from reductions in other local services. Local services support healthy people living productive lives in prosperous and innovative local economies. Local services provide the bedrock of safer, more cohesive and more equal communities. In short, local government services are inextricably linked to the programme for government.
7. Both the 2016-17 and 2017-18 settlements left local government to absorb over £350m worth of pressures. As with past pressures, the future pressures will arise from the increased demand for local public services and the increased cost of providing them.
8. Demand pressures are largely demographic and are most acute in the larger budget areas of social services and education. The work done for [Wales Public Services 2025](#) demonstrated that pressures in social services budgets drive around 2.9% growth each year, which is around £47m annually up to 2021-22. This includes pressures in Children's services. Within education budgets, increased birth rates continue to feed through to the growth in pupil numbers. Population projections show that the number of school-aged children (under 16) will increase from 523k to 534k, an increase of 2.1% by 2021. The resultant pressure increases from £7m in 2018-19 to £49m in 2021-22.
9. A large part of the supply side is attributable to either direct workforce costs for councils, or indirect costs of third party providers. In previous years, there have been substantial cost increases such as £60m in employers' National Insurance payments as a consequence of the introduction of Single Tier Pensions in 2016-17, and £18m for the Apprenticeship levy in 2017-18. Looking forward, there are significant pressures from both increased employer contributions to the Local Government Pension Scheme (£100m by 2021-22) and to the Teachers' Pension Scheme (£19m by 2021-22).
10. While the future of public sector pay is currently a matter of national debate, anticipated 1% pay increases are compounded by the National Living Wage. The potential impact of the Pay Spine Review could add a combined 2.5% to the costs of the workforce each year over a two-year period depending on the negotiations between Employers and the Unions. Altogether workforce costs will be £378m higher by 2021-22.

11. There is also more general inflation and pressure generated through the Council Tax rises on the Council Tax Reduction Scheme. The former may be increasing due to systemic inflationary effects in the economy due to commodity price increases and Brexit.
12. Figure 1 below shows the current assessment of expenditure pressures for local government. Total expenditure pressure for 2018-19 is higher than previous estimates at £212m. Just over half of this is the unavoidable financial pressure of pay and pensions. By 2021-22 this is estimated to rise to £762m with workforce pressures (£378m) higher than demographic pressures (£239m). Other inflationary pressure will account for £145m at the end of the same period.

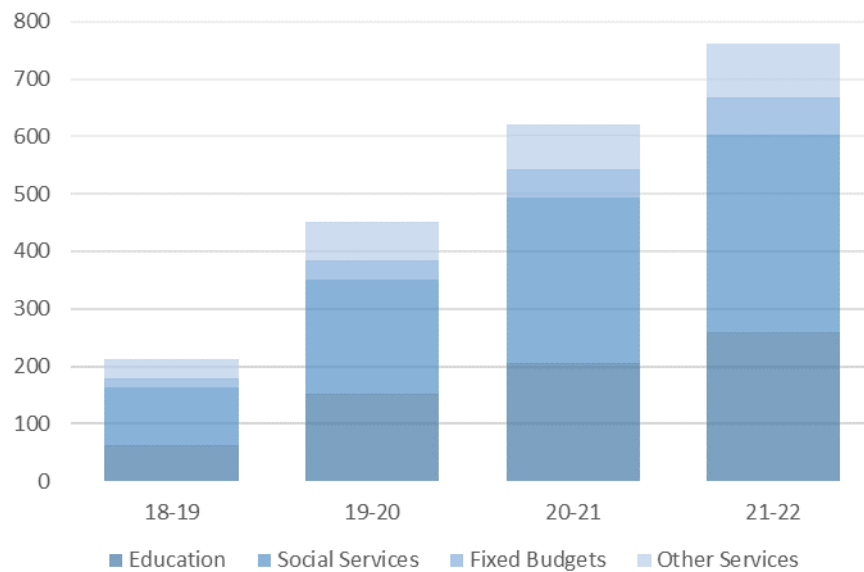
Figure 1: Cumulative pressures up to 2021-22, by source, £m



Source: Base estimates: RO and RA returns (2015-16 to 2016-17), NLW impact: WLGA Survey (2016)

13. Figure 2 below shows that a greater proportion of pressure is building up in social services. An additional pressure of £99m next year becomes £344m by 2021-22. Cost drivers in the education service rise from £64m next to £258m over the same period. Fixed elements of the budget – capital financing, fire levies and the Council Tax Reduction Scheme (CTRS) – rise from £17m to £66m by the end of the period. The remaining services are the ones most at risk and areas that have borne the brunt of austerity.
14. Additional costs for what remains of these services will rise from £33m to £94m by 2021-22. However, these are the services that are currently being squeezed. They currently account for around 15% of net revenue spend. To accommodate the pressures highlighted in this report, that would drop to 5% under certain funding assumptions.

Figure 2: Cumulative pressures up to 2021-22, by service, £m



Source: Base estimates: RO and RA returns (2015-16 to 2016-17), NLW impact: WLGA Survey (2016)

Other Service Pressures

15. Regulatory services are starting to be a major concern throughout the UK. Market surveillance, sampling and testing is at an all-time and critically low point. Food, animal feed, electrical products, air quality, and construction products are rarely, if ever, independently tested by trading standards and environmental health officers.
16. Wales public protection services have experienced cuts to the order of 45% in recent years. A huge swathe of experienced and competent officers have left the service as a result – taking with them hundreds of combined years of technical, legal, investigative and enforcement capability.
17. Services such as trading standards can no longer work proactively, and rely on intelligence-led models. They only react after things have gone wrong – and by then the damage is done – millions of pounds are lost to financial and fraud offences; health and wellbeing is affected, leading to increased costs to health services.
18. In our evidence to the National Assembly’s Finance Committee on the 2017-18 WG Budget we showed that services which are vital to economic growth and preventative in nature have seen precipitous reductions. Some of the largest reductions have been in unprotected areas such as Planning and Regulatory Services which play a vital role in regeneration and preventative areas. Many other areas of LG spend have shrunk by at least a fifth in real terms.

19. In respect of Waste Services, we continue to work with Welsh Government on how best to incorporate grant funding into the settlement. *Resource Futures* have been commissioned to develop a paper that captures practitioner perspectives on the future of waste and the key dynamics driving change. The key issue from the paper is that understanding what the future holds for the waste industry is complex with a range of variables and, as such, a range of possible outcomes are conceivable. There are however more immediate concerns about the loss of recycling income and the continued erosion of the Single Revenue Grant.
20. Other neighbourhood services are universal services. The public sees them as the core function of local government. Since 2009-10, neighbourhood services have been the hardest hit of all local government services, taking a shrinking share of a shrinking budget.
21. Over this period, the worst hit neighbourhood services in Wales have had spending cut by a half. Many have seen cuts of at least a quarter. According to [APSE](#), across the UK, austerity has weighed more heavily on local government than central government. In eight years, local government spending will have dropped from two thirds of that of central government's to half.

Financing of local health boards and health and social care services

22. We gave evidence to the Health, Social Care and Sports Committee on the 11 October on the WG Budget. The [evidence paper](#) sets out our detailed concerns around Social Care Funding, drilling down on some of the figures above.

Preventative spending and how is this represented in resource allocation

23. In Wales, significant progress has been made through partnership working in terms of enacting the Social Services and Wellbeing Act 2014, and in the introduction of initiatives such as the intermediate care fund (ICF). This progress has been significant; however, we have also seen the policy developments and investments that have taken place in England which point to an ambitious agenda.
24. Sometimes preventative strategies tend to come with bold statements about the costs or negative social outcomes (or both) that will be avoided in the future. They rely on some subjective assessment of what 'otherwise would happen' in the future. For example, the UK Government's Troubled Families programme was a flagship preventative initiative. It initially aimed to "turn around" 120,000 households at a cost of around £400m. A second wave of

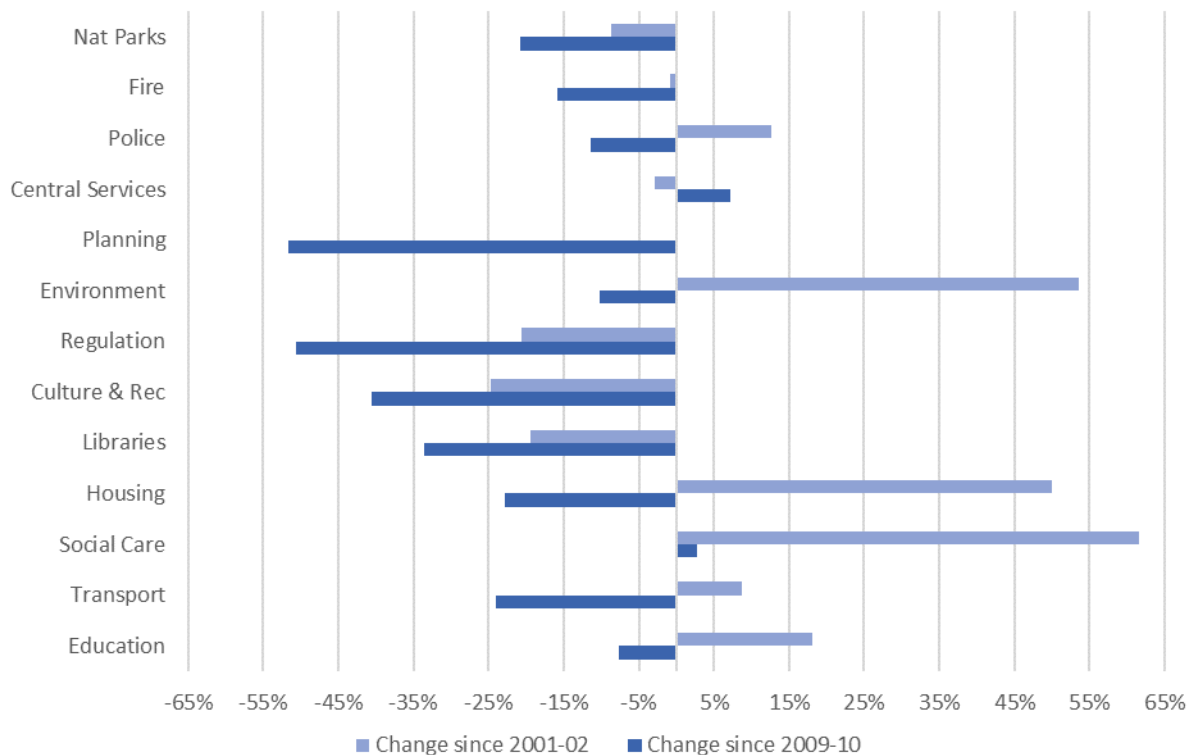
the Troubled Families programme was announced in June 2013, and began to roll out in April 2015. It covered another 400,000 families at a further cost of £900m.

25. By the time a thorough-going evaluation saw the light of day, the evidence showed that there had been no discernible effect on unemployment, truancy or criminality.

26. Another issue is the time that it takes to realise significant savings or improvements in social outcomes. One of the few studies that attempts to quantify the preventative impact of the Social Services and Well-being Act is the LE Wales' *Paying for Social Care* report cited above. Over a 24-year period the costs of Adult Social care are estimated increase by 114% in the base line scenario and under the preventative scenario, they increase by 108%. Preventative savings are definitely worth realising, but relative to cost and demographic pressures, in the longer run they may potentially be modest.

27. Many local services that are preventative in nature or enhance the prospects of future generations are being hollowed out. Figure 3 below shows some of the largest reductions have been in planning and regulatory services. These are small budgets but they play a vital role in regeneration and keeping communities safe.

Figure 3: Real Terms Change in Service Spend, from 2001-02 and 2009-10, £m



Source: Base estimates: RO (2001-02 & 2009-10) and RA returns (2017-18)

Sustainability of public services, innovation and service transformation

28. Over the past decade all Welsh councils have been transforming their services to mitigate the effect of reducing budgets. These service transformation programmes include alternative delivery models, income generation, demand management, digital technology as well as traditional efficiency savings. The programmes, are developed in collaboration with agencies and stakeholders, including citizens and communities, to incorporate continuous improvement and innovative practices to deliver sustainable local services for their citizens and communities.
29. Councils have sought to explore income generation opportunities in a range of service areas such as waste, energy, culture and leisure and school catering services. For example in delivering culture and leisure services, which have seen a service spend reduction of 42% since 2009/10, councils have adopted alternative approaches to ensure sustainable services which include: co-location of services (libraries and leisure under one roof) along with income ventures such as coffee and leisure wear shops in local leisure centres; rental of rooms and facilities for meetings and conferences etc. To date 11 councils have outsourced to alternative providers, 5 councils are considering alternative models of service delivery and 6 have retained control of their leisure.
30. Flintshire County Council's leisure and library employees voted 90% yes to set up a Community Benefit Society to deliver leisure and library services from 1 July 2017. The overall model aims to provide savings of 10% year on year whilst maintaining and improving existing service levels and protecting jobs. In Cardiff Council 8 leisure services are being managed by GLL, a charitable social enterprise, which it is envisaged will save £31.9million over 15 years whilst providing greater future certainty over the leisure provision in Cardiff.
31. Councils continue to incorporate innovative practices in the way they deliver sustainable services. For example:
- Newport City Council and Cardiff Council has also taken lead roles across Wales in developing an innovative data solution, increasing valuable revenue income across the 22 Welsh Unitary Authorities, by developing a methodology to identify previously unbilled or incorrectly billed residential and commercial properties for taxation purposes.
 - [The Shared Resource Service \(SRS\)](#) is a collaborative technology provision in South Wales that provides technology services to Gwent Police Authority, Blaenau Gwent County Borough Council, Monmouthshire County Borough Council, Newport City Council and Torfaen County Borough Council. The SRS also host the Shared Resources Centre, which provides services to Gwent Police, Torfaen CBC, Monmouthshire CBC, NWIS and Swansea University and the private sector.

- Newport Norse is a Joint venture with Norfolk Property Services, a public sector company, providing estate management, facilities management and building maintenance across the council and education estate. The joint venture was formed after delivering a range of efficiency savings and performance improvement across the operation.
- Vale of Glamorgan Council's award winning [Leadership Cafe](#), using "nudge" and behavioural change insight techniques to support the cultural changes required for service transformation
- Gwynedd Council have successfully secured funding and support on the [Innovate to Save programme](#). This Welsh Government & Nesta/YLab programme seeks to tackle complex issues currently facing our public services and at the same time generate cashable savings. The Council's project is to support the community of a coastal village Fairbourne, to move while utilising properties to provide social housing.
- Employing pioneering technology where [Rapid roll-up solar panels](#) in Cardiff being used to help power Flat Holm, to meet demands from increased tourism and environmental challenges on the island. This is the first time the system has been used in Wales and it is the first long-term deployment of the technology anywhere in the UK. Cardiff Council is also using the portable solar panels to charge electric vehicles at its Lamby Way recycling centre.
- [Monmouthshire Made Open](#) is an open innovation platform that allows the council to share data, challenges and problems with their communities, co-ordinate volunteering efforts and pool information and resources.
- The use of customer insight in Newport City Council has been pivotal in improving online transactions which have increased from 25% to over 58% offering an enhanced 24/7 service for citizens, becoming a finalist in the 2015 Municipal Journal Achievement Awards and publication in the [Local Government Chronicle](#).
- [The Torfaen Spring Clean](#) was an opportunity for citizens and communities in the borough to help make a difference and create a greener, cleaner Torfaen. This community initiative was coordinated and resourced by the Council, in partnership with Keep Wales Tidy and other agencies. The project took place through February and March 2017, collected over 62 tonnes of litter and rubbish with over 250 people and 500 volunteer hours

Reducing poverty and mitigating welfare reform

32. While many support the concept of Universal Credit, and what it was initially set up to achieve, it is an ambitious change programme and care is needed in its implementation to ensure it can be delivered successfully and that any potential negative impacts are minimised. As roll-out accelerates across the UK, the experience and evidence to date indicates that many people are finding themselves in financial difficulties while their claims are processed, often increasing their rent arrears and reducing the security of their home.
33. Welsh Cabinet Members for Housing met recently and discussed the increasing number of families and individuals at risk of homelessness and seeking help, support and assistance, particularly in meeting their housing costs and in the main due to changes in the welfare benefit system. This is despite the progressive legislation in Wales, under the Housing (Wales) Act and the focus on preventing homelessness. Local authority areas where UC has already rolled out reported delays in receiving payments which were impacting on their ability to pay and meet their full rental costs and increasing levels of anxiety and worry about the new system, leading to increased stress and tensions in the family. While it was accepted that the roll out of UC was not responsible for all these issues, its introduction and in particular, the delays in processing payments, was having a direct negative impact on a number of claimants and increasing their risk of homelessness.
34. To this end, Cabinet Members for Housing have written to the Secretary of State for Work and Pensions setting out their concerns and we await a response. Together with our colleagues across the UK, we have also been in correspondence with Sir Robert Walmsley, Chair of the Universal Credit Programme Board on a number of more operational issues to do with the roll-out of UC.
35. On other issues of welfare and antipoverty, we continue to work closely with Welsh Government to maintain 100% eligibility on Council Tax Reduction and the funding of the Discretionary Assistance Fund.
36. We also have representation on a number of Financial & Digital Inclusion Groups and the National Advice Network. On the latter, we fully support the aim of establishing quality assured advice provision across the nation

Planning and preparedness for Brexit

37. Welsh Government has established an EU Advisory Group, bringing together a range of stakeholders and individuals with extensive experience of European matters. WLGA is represented on the group by our Spokesperson Cllr Rob Stewart (and before him, Cllr Phil Bale). There has been some (limited) opportunity to feed in Welsh Government's positions via input at meetings

although group members have not been asked comment on drafts of documents before they have been released.

38. At the next Advisory Group meeting (5th October) WLGA has been invited to present the findings from a survey it undertook of local authorities, seeking their views on a range of matters, including:

- implications of a loss of EU funding;
- views on future funding arrangements post-Brexit;
- state aid;
- impact on local economies and labour markets;
- legislative priorities; and
- impact on Well-being Plans.

39. The CBI is also presenting to the next meeting. In this way, Welsh Government is giving stakeholders a chance to feed issues in from different perspectives and this is a welcome and positive approach. How far Welsh Government takes such input on board and is then able to influence the UK Government is impossible to tell.

40. In the field of Environment and Rural Affairs, Lesley Griffiths moved quickly to establish a roundtable of stakeholders after the referendum. The roundtable has been meeting regularly and a number of workshops and working groups have been organised. The WLGA is represented on all the groups to ensure an overview of the work.

41. It would be good to see the same approach being adopted in other areas (e.g. in relation to the economy, transport, skills). It is understood that there are numerous internal working groups within Welsh Government on a variety of matters. It is not clear how far these other groups are involving stakeholders but WLGA is not aware of local government being asked for an input.

42. It is clear that Brexit is absorbing a large amount of time and effort on the part of Welsh Government officials. This is inevitable and is important not only because there is the slim chance that Wales can influence UK's negotiating position if it has evidence-based arguments that it can feed in but also because the more the risks are understood, the better prepared Wales can be, enabling a quicker response as events unfold.

43. The 'opportunity cost' of the time and effort going into Brexit should not be overlooked however. Clearly, time spent on Brexit cannot be spent on other activities and the demands of working through a vast array of legislation coming back from the EU could crowd out the Government's own ambitions from new legislation.

New taxation and borrowing powers

44. Alongside the Draft Budget, the Welsh Government published the Welsh Tax Policy Report. Included within that are four ideas for possible new taxes:
- Vacant Land Tax;
 - Tourism Tax;
 - Disposable Plastics Tax;
 - Social Care Levy.
45. The WLGA is fully supportive of the way in which the Cabinet Secretary is engaging stakeholders on the development of these policies. Obviously, we will take a sector view supporting the taxes that will have an impact on local services or help with the funding of local services.

The use of evidence in driving Welsh Government priority setting and budget allocations

46. We believe that all policies and priorities should be evidence-based and our general views are set out in the [paper we submitted](#) recently to the Finance Committee on their inquiry into Financial Estimates Accompanying Legislation. Many authorities are having to juggle a number of unfunded pressures with unprecedented reductions in funding. We believe that there should be full and early engagement with all stakeholders to assess the available evidence in the formulation of legislation and that the financial impacts should not be assessed in isolation but as part of the whole programme. The Welsh Government should be budgeting for the whole of the Assembly term and this should be the basis of the planning horizon. There also needs to be a clear reinstatement of a set of core principles for funding new burdens.

How the Future Generations Act is influencing policy making

47. The WFG Act was an all-embracing piece of legislation which should now influence all policy making in devolved public bodies in Wales. Welsh Government has placed great emphasis on the fact that this should not be done in a 'tick box' way. Rather, any decision should be able to 'show its workings' so that it can demonstrate how the five principles of the Act have been applied (e.g. what involvement/consultation has taken place? What collaboration with other bodies has taken place? How have long term implications been taken into consideration?).
48. There was a risk that the Act would receive lip service and also that attempts would be made to 'retrofit' the Act after decisions have been made. That risk remains, of course, but it has been encouraging to see the high level of awareness of local authorities (and other public bodies) about the Act and to

see how often the Act is referenced in meetings and discussions. The Future Generations Commissioner has already demonstrated a determination to become involved where there are high profile decisions if she feels the Act is in danger of being misinterpreted. This has occurred in relation to the M4 relief road and also in relation to the Cardiff Capital Region support for compound semi-conductor development in South East Wales. Whilst the 'wrongs and rights' of such intervention will be fiercely debated (with strong views on opposing sides) it has helped to raise the profile and give a signal to public bodies that, if they cannot show how the Act has influenced policy they will run the risk of high profile public scrutiny.

49. With Welsh Government financial support, WLGA ran a programme of support for local authority 'early adopters' of the Act's requirements. A key lesson from this work was the importance of using the Act 'upstream' in policy development. If the Act is used to think through projects or initiatives at the outset it is a helpful framework for making sure that they are being approached in a rounded (non-silo) way. That is far better than the 'retro-fit' approach, where the Act is seen as an interference in something that has already been committed. That is an important lesson that can make the Act a force for good as opposed to being something to 'find your way around'.

Conclusion

50. In his recent Mansion House speech the Chancellor of the Exchequer, Phillip Hammond MP spoke of "seven years of hard slog" and an "austerity weary Britain". It is hoped that this recognition in words is matched by resources in practice. The public realm across Wales is suffering despite the protection offered by Welsh Government with youth services, libraries, community centres and playing fields and a range of other services seeing dramatically reduced provision – all areas with significant roles in the potential avoidance of future costs linked to crime, mental health and physical well-being.
51. There is now an emerging public backlash to the decline of the social fabric of communities. The recent publication of the British Social Attitudes survey showed that public tolerance of austerity is collapsing as support for higher taxes to enable more spending on health, education and policing increases.
52. Dissatisfaction is manifesting itself most in terms of public sector pay. The Annual Survey of Hours and Earnings (ASHE) confirms this. Looking across the employees in the ASHE dataset, the mean pay in the public sector is estimated to be 1.0% less than in the private sector in 2016. This uses the model which excludes organisation size and controls for a range of independent variables including region, occupation, age, gender and job tenure. This continues a downward trend seen since 2012 and is the first year in the data series that the differential is in favour of the private sector since 2003. In this model, which includes organisation size, the mean pay in the public sector is estimated to be 5.5% less than in the private sector in 2016.

53. WLGA recognises all the built-up pressures and demands on the Welsh budget. The position in the NHS is also fully acknowledged. It is the case however that the health budget has had a level of significant protection which has seen increases over the past 5 years. The local government budget alternatively is now back at its 2004-05 levels. Bearing in mind the scale of the pressures in this paper this fact must be at the forefront of budget considerations over the next five years.

Local Government settlement – the War of Attrition continues, says WLGA

Tuesday, 10 October 2017

The local government settlement announced by Welsh Government continues an eight-year run of real terms reductions to local government funding.

In the context of ongoing and prolonged austerity, councils will view this as a very difficult and challenging settlement for supporting vital services that contribute to the education, health and well-being of our communities. Leaders across Wales have pushed for parity of funding and particularly sought new investment in a range of services, such as economic development, environmental health and transport, which have been pummeled by cuts.

The headline reduction of 0.5% fails to recognise the full story; with service pressures that amount to £212m in 2018-19 alone, the sector will have to look for savings of nearly 4.5% of net budgets in the next financial year. This comes on top of cuts of over £1bn that have been made to date and 25,000 job losses across the sector. While the reduction is within the range predicted by the WLGA, local government is still bearing the heaviest burden of austerity.

Commenting on the draft settlement, Councillor Debbie Wilcox (Newport), WLGA Leader said:

“I have gone on record on a number of occasions to express my frustrations with the UK Government’s austerity agenda; it clearly isn’t working. The competing demands on the Welsh Government’s own funding presents the Cabinet Secretary with difficult choices and we recognize his efforts to try to protect local services. The problem for local government is that we are now in a ‘war of attrition’. Services are wearing down to the point of collapse and the public are rightly growing frustrated in terms of paying council tax and yet seeing key community functions cut or closed.”

“The whole position is unsustainable. Local authorities cannot go on to be expected to make the harshest of cuts whilst continuing to provide the same breadth and level of service; in short, something has got to give. ”

Councillor Anthony Hunt (Torfaen), WLGA Spokesperson for Finance & Resources said:

"We have worked well with the Cabinet Secretary and I would like to thank him for the approach that he has taken to the settlement this year. However, local government as a whole will need to find cuts and efficiency savings of around 4.5% of net budgets."

"We also need more transparency around some of the figures in this announcement, those delivering and receiving education and social services will expect additional allocations of £62m and £42m respectively. However, this is still a very difficult settlement - there is no additional resource to protect them or explanation of how these figures have been calculated. The funding envelope has quite simply reduced by 0.5% or £20m on top of the savings and cuts made in previous years."

Councillor Emlyn Dole (Carmarthenshire), WLGA Plaid Cymru Group Leader said:

"Welsh councils will still face severe financial pressures estimated to be over £200 million for the next financial year alone due to demographic factors and workforce related pressures."

"I would urge the UK Government to use its Budget announcement in November to fully fund any relaxation of the pay cap. Every 1% increase in pay costs the public sector around £100m, and £35m of that is attributable to councils. Our workforce deserves a pay rise. In this context, local government funding must be more flexible and the transfer of nearly £100m of grants into the settlement is a positive step. I would urge Ministers to think about the other funding flexibilities for the other £700m in grants which put an additional administrative burden on the public services."

Councillor Hugh Evans OBE (Denbighshire), WLGA Independent Group Leader said:

"The funding formula delivers a range of increases and decreases across the 22 local authorities; it is right that the Welsh Government has provided a floor mechanism safety net and I hope that continues in future years. We still need to make sure that the system takes account of the additional needs of providing services in communities with diverse needs and especially the additional costs of providing services in rural communities which are dramatically underfunded."

"The funding reductions that local government has seen in recent years have been unprecedented and I am sad to note that this settlement continues that recent trend. While I welcome the fact that an indicative figure has been given for 2019-20 and that we have three years of capital allocations it cannot hide the fact that austerity continues over this period. Local services require a much longer-term approach to financial planning and we will work with the Welsh Government to achieve this after the UK Government's Autumn Budget."

Councillor Peter Fox OBE (Monmouthshire), WLGA Conservative Group Leader said:

"Social services and education should be funded on equal terms with the health which means providing the £160m that both services need to stand still next year. There are also a range of preventative services within councils that will not survive unless the Welsh Government has a long hard look at the way it allocates money across the totality of public services. Ring-fencing small sums in the settlement for those services is like robbing Peter to pay Paul, as other services suffer."

"When the Chancellor announces his Autumn Budget, we will get a clearer picture of the Welsh Government's budget allocations for future years. Independent experts at Wales Public Services 2025 have already estimated there could be an additional £300m up to 2021-22 and that should be the basis of continued investment in local public services."

Ends

For further information, contact:

Jon Rae: 029 20468620

Categories: [Finance and Resources News](#)

Carl Sargeant AC

Ysgrifennydd y Cabinet dros Gymunedau a Phlant

11 Hydref 2017

Annwyl Carl

Gwneud i'r economi weithio i'r rheini sydd ag incwm isel- diwygio Budd-daliadau Lles

Ar hyn o bryd rydym yn cynnal ymchwiliad ar wneud i'r economi weithio i bobl sydd ag incwm isel. Mae hyn yn cysylltu â'n gwaith arall sy'n edrych ar dlodi yng Nghymru, gan gynnwys ar Cymunedau yn Gyntaf.

Mae un haen o'r ymchwiliad incwm isel yn ymwneud â rôl budd-daliadau Lles o ran cefnogi pobl. Fel rhan o hyn, cawsom dystiolaeth lafar gan Dr Sharon Wright a Dr Lisa Scullion, sy'n ymwneud â'r rhaglen ymchwil ar Amodoldeb Lles. Cawsom dystiolaeth ysgrifenedig gan yr Athro Jane Miller hefyd. Mae rhagor o wybodaeth ar gael [yma](#).

Yn dilyn hyn, cytunwyd i ofyn am wybodaeth bellach gennych ar yr effaith y bydd y newidiadau i'r system budd-daliadau Lles dros y blynyddoedd diwethaf yn cael ar bobl yng Nghymru. Rydym yn ymwybodol bod Grŵp Gorchwyl a Gorffen Gweinidogol Llywodraeth Cymru ar Ddiwygio Lles wedi comisiynu ymchwil i'r mater hwn, a bod nifer o adroddiadau wedi'u cyhoeddi. Fodd bynnag, yn ôl yr hyn yr ydym yn ei ddeall, cyhoeddwyd yr adroddiad diweddaraf yn 2014, a gwyddom fod yna newidiadau pellach wedi bod ers hynny. Mae gennym ddiddordeb arbennig yn effaith cyflwyno Credyd Cynhwysol.



Yn dilyn y sesiwn hon, ac ar ôl rhoi mwy o ystyriaeth i'r materion a godwyd, rwyf hefyd wedi ysgrifennu at Lywodraeth y DU yn ychwanegu ein llais at y rhai sy'n galw am roi'r gorau dros dro i barhau i gyflwyno Credyd Cynhwysol. Mae copi o'r llythyr hwn yn atodedig. A ydych chi wedi trafod y mater hwn â Llywodraeth y DU, ac os felly, beth fu natur eich trafodaethau?

Yn gywir



John Griffiths AC
Cadeirydd

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



David Gauke AS
Ysgrifennydd Gwladol dros Waith a Phensiynau

11 Hydref 2017

Annwyl Ysgrifennydd Gwladol

Credyd Cynhwysol

Ysgrifennaf yn rhinwedd fy swydd fel Cadeirydd Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau Cynulliad Cenedlaethol Cymru.

Fel rhan o ymchwiliad yn edrych ar [wneud i'r economi weithio i bobl sydd ag incwm isel](#), cymerom dystiolaeth yn ddiweddar gan yr academyddion Dr Sharon Wright, Prifysgol Glasgow a Dr Lisa Scullion, Prifysgol Salford ar rôl budd-daliadau lles wrth gefnogi pobl ar incwm isel. Mae'r ddwy ohonynt hefyd yn rhan o'r prosiect Welfare Conditionality: Sanctions, Support and Behaviour Change.

Treuliwyd rhan helaeth o'r sesiwn yn archwilio effaith cyflwyno Credyd Cynhwysol hyd yma. Clywsom nad yw Credyd Cynhwysol yn ei ffurf bresennol yn debygol o fodloni rhai o'i amcanion.¹ Yn benodol, er y bydd pobl yn cael eu gwthio tuag at waith, bydd yn waith nad yw'n debygol o godi pobl allan o dlodi ac felly bydd tlodi mewn gwaith yn parhau i gynyddu.

Ar wahân i'r mater sylfaenol hwn o bryder, clywsom hefyd am rai materion gweithredol, sy'n achosi pryder i ni ynghylch parhau i gyflwyno'r rhaglen.

¹ Pwyllgor CLILCh, Cofnod y Trafodion (RoP) 21 Medi 2017, Paragraff [18]



Roedd y materion a godwyd gan y tystion yn cynnwys:

- Oedi wrth dderbyn taliadau ar ôl i'r cais cychwynnol gael ei wneud. Clywsom y gall pobl fod yn aros hyd at 10 wythnos cyn derbyn taliad. Er y gellir talu blaensymiau, mae'r rhain ar ffurf benthyciadau, felly mae pobl sydd eisoes yn byw ar ymylon fforddiadwyedd mewn dyled ar unwaith, cyn iddynt dderbyn Credyd Cynhwysol. Yn dilyn eich cyhoeddiad yr wythnos hon ynghylch argaeledd blaensymiau, a allech chi egluro ar ba gyfradd y bydd yn rhaid talu'r benthyciad yn ôl. Sut mae argaeledd y benthyciad yn cael ei hysbysebu i hawl wyr?
- Yn gysylltiedig â'r uchod, yw bod taliadau budd-dal tai bellach wedi'u cynnwys yn y taliad incwm personol. Mae hyn yn arbennig o broblemus pan fo oedi o hyd at 10 wythnos cyn derbyn taliadau. Clywsom hefyd y gallai cynnydd mewn cosbau (gweler isod) arwain at gynnydd mewn ôl-ddyledion rhent, ac yn y pen draw, troi allan. Clywsom, er nad yw'r taliad tai yn ddarostyngedig i gosb, os caiff lwfans byw unigolyn ei gosbi, mae'n cael ei roi mewn sefyllfa amhosib o orfod dewis rhwng talu'i rent neu dalu costau hanfodol eraill, megis bwyd. O ganlyniad, mae troi allan a digartrefedd yn risgiau newydd sy'n dod yn sgil credyd cynhwysol.²
- Mae'r broses hawlio ar y cyd yn golygu y gellir cosbi cartrefi cyfan yn awr. Mae hawliadau ar y cyd yn gosod pobl mewn perthnasoedd camdriniol o dan anfantais benodol. Awgrymodd y tystion wrthym y dylai'r taliad fynd i'r prif ofalwr yn hytrach na'r prif enillydd, a fyddai'n golygu bod anghenion ariannol plant a'u prif ofalydd yn cael eu blaenoriaethu.
- Ymestyn cosbau i bobl sydd mewn gwaith. Clywsom fod disgwyl i bobl sydd mewn gwaith fynd i'r Ganolfan Byd Gwaith o hyd. Mewn rhai achosion, mae pobl wedi'u cosbi pan nad ydynt wedi gallu ail-drefnu apwyntiadau, na allant eu mynychu am eu bod yn gweithio. Clywsom fod dwysedd

² Y Pwyllgor CLILCh, Cofnod y Trafodion, 21 Medi 2017, Paragraff [8]



amodoldeb, ynghyd â'r gofyniad i fod yn chwilio am swydd 35 awr yr wythnos, yn hynod o anodd ac yn straen.

- Materion gweinyddol o amgylch cosbau. Clywsom y gosodir cosbau yn annisgwyl yn aml, a bod pobl dim ond yn darganfod eu bod yn destun cosb wythnosau neu fisoedd ar ôl y digwyddiad perthnasol. Gall hyn ei gwneud yn anodd i bobl herio'r gosb. Rydym hefyd yn pryderu y bydd cosbau'n berthnasol i rai o'r grwpiau mwyaf agored i niwed. Er ein bod yn ymwybodol bod nifer o grwpiau na ellir eu cosbi, rydym yn pryderu y bydd pobl o fewn y tri grŵp y gellir eu cosbi a allai gael eu hystyried yn agored i niwed.
- Problemau sy'n gynhenid wrth gyflwyno'r rhaglen, er enghraifft y broses hawlio ddigidol yn ôl rhagosodiad. Er ein bod wedi clywed bod rhywfaint o ddarpariaeth ar gael i bobl na allant wneud cais yn ddigidol, gwyddom nad yw hyn ar gael yn eang. Yn ogystal, codir cyfradd premiwm o ran rhif y llinell ffôn. Dywedodd y tystion wrthym mai gweithred syml, ond defnyddiol iawn fyddai pe bai'r rhif yn rhad ac am ddim i'w ffonio, ac mae hwn yn alwad yr ydym ni yn ei gefnogi'n gryf.
- Symud hawddfreintiau allan o ddarpariaeth ffurfiol i ganllawiau, sy'n golygu eu bod wedi dod yn fwy dewisol. Mae hyn yn cyflwyno mwy o amrywiaeth i'r system, ac yn rhoi'r rhai mwyaf agored i niwed mewn perygl.
- Y cyfyngiadau ariannol tynn iawn y mae pobl yn gweithredu ynddynt wrth symud i mewn ac allan o waith. Clywsom, mewn rhai achosion, wrth i enillion gynyddu, y caiff hyd at 63% o'r cynnydd ei dynnu i ffwrdd drwy'r system.

Yng ngoleuni hyn, a phryderon eraill a godwyd yn ystod y sesiwn, hoffem ychwanegu ein lleisiau at y rhestr gynyddol o'r rhai sydd wedi galw arnoch chi i roi'r gorau dros dro i barhau i gyflwyno'r system tra bod rhai o'r materion gweithredol hyn yn cael sylw. Rydym ni'n poeni, wrth i'r gwaith o gyflwyno



gyrraedd achosion mwy cymhleth, os na roddir sylw i'r materion hyn, gallai fod cynnydd sylweddol mewn caledi, amddifadedd a thlodi.

Yn gywir



John Griffiths AC
Cadeirydd

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Sian Gwenllian AM
Sian.Gwenllian@assembly.wales

May 2017

Dear Sian,

WAQ73315, WAQ73316, WAQ73317 and WAQ73318

You recently submitted four Written Assembly Questions to the First Minister. As these relate to staffing matters the First Minister has asked me to respond to you directly.

WAQ73315: Following the process of relocating staff from the Welsh Government office in Caernarfon, where will these staff be relocated?

WAQ73316: How many Welsh government staff are located in Caernarfon at present?

WAQ73317: How many staff did the Welsh Government employ in Caernarfon in 2001, 2006, 2010 and 2015?

WAQ73318: What are the Welsh Government's plans regarding its building in Caernarfon after its staff have been relocated by March 2018?

The Welsh Government has given a commitment to retain a presence in Caernarfon but not necessarily in the current property. The proposal is to dispose of the existing freehold interest at North Penrallt Caernarfon, which is no longer suitable for our requirements and relocate to alternative new accommodation in the town. However no final decisions have been taken at this stage. Total staff numbers are currently 82.3, with 73.9 at North Penrallt.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Tudalen y pecyn 40

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

Our current HR Information System was introduced in late 2006, therefore accurate figures for 2001 and 2006, are not available. The table below provides the numbers of Welsh Government staff in Caernarfon for the remaining years requested.

	31/03/2010	31/03/2015	31/03/2017
Caernarfon - Penrallt	116.9	73.4	73.9
Cadw - Caernarfon Castle	5.1	4.9	5.4
Cadw – Caernarfon, Stuart House	5.5	3.0	3.0

Yours,


Shan Morgan
Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government

Procurement contracts could provide a condition that some posts are only open to Welsh speakers. This could work as a percentage of posts. Therefore, if a contract was in one of the Welsh-speaking 'heartlands' (though these heartlands are now facing serious decline and require urgent action), a percentage of the posts would be Welsh mandatory than in an area that is less Welsh-speaking. But it would be important for a percentage of all procurement posts to require some Welsh.

The important point in terms of saving the Welsh language is that positive action is needed. Young people also need to see that there is real value in speaking the language. Of course, several studies have shown clearly that the brains of children who are brought up bilingually develop differently, which gives them better life opportunities and protect them for example from the risks of dementia in older age. But also, young people need to see that this skill of speaking the language is a skill that has value like all others. It cannot be argued that this is unfair because, like other skills, everyone can learn to speak Welsh.

We can confirm that 3% of the employees at Puffin Produce Ltd are Welsh speakers.

Eitem 5.4

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

Yn ystod cyfarfod y Pwyllgor ar 11 Hydref, gofynnodd y Pwyllgor am eglurder ar y dystiolaeth ysgrifenedig a ddarparwyd gan Tinopolis Cymru. Mae'r ymateb isod.

Gallai cytundebau caffael ei gwneud hi'n amod bod rhai swyddi yn rhai sydd yn agored i siaradwyr Cymraeg yn unig. Byddai hyn yn gallu gweithio fel canran o swyddi. Felly, os byddai cytundeb mewn ardal sydd yn un o 'gadarnleoedd' yr iaith Gymraeg (erbyn hyn wrth gwrs mae 'cadarnleoedd' y Gymraeg yn dirywio yn enbyd o ran yr iaith ac felly mae angen gweithredu ar frys) byddai canran uwch o'r swyddi yn orfodol Gymraeg nag mewn ardal llai Cymraeg. Ond byddai'n bwysig bod canran o bob swyddi caffael yn gofyn am rywfaifaint o Gymraeg.

Y pwynt pwysig o ran achub yr iaith Gymraeg yw bod angen gweithredu'n bositif. Mae angen i bobl ifanc weld hefyd bod gwerth go iawn i siarad yr iaith. Wrth gwrs, mae sawl astudiaeth wedi bod lle mae'n amlwg fod plant sy'n cael eu magu yn ddwyieithog yn datblygu ymenydd mewn ffordd wahanol sydd yn rhoi cyfleon gwell mewn bywyd ac yn eu gwarchod er engraifft yn erbyn peryglon dementia pan yn henach. Ond hefyd, mae angen i bobl ifanc weld bod y sgil yma o siarad yr iaith, yn sgil sydd a gwerth iddi fel pob sgil arall. Ni ellid dadlau nad yw hyn yn deg, oherwydd fel sgiliau eraill, mae modd i bawb ddysgu Gymraeg.

Eitem 5.5

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-30-17 Papur 6 / Paper 6

Yn ystod cyfarfod y Pwyllgor ar 11 Hydref, gofynnodd y Pwyllgor am wybodaeth am nifer y gweithwyr sy'n siarad Cymraeg yng nghwmnïau Puffin Produce Ltd a Jones Bros. Mae'r ymateb gan Puffin Produce Ltd isod. Ni dderbyniwyd ymateb gan Jones Bros mewn pryd i gyhoeddi'r papur hwn.

We can confirm that 3% of the employees at Puffin Produce Ltd are Welsh speakers.