

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2024-25](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2024-25](#).

**WGDB_24-25 05 : Ymateb gan: Cyngor Bwrdeistref Sirol Blaenau Gwent
(Saesneg yn unig) | Response from: Blaenau Gwent County Borough Council
(English only)**

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Draft response to Chair and Members of the Finance Committee

Dear Chair and Members,

I submit the following evidence on behalf of Blaenau Gwent County Borough Council in relation to the current allocation of Welsh Government's Budget 2024-2025. As background, Blaenau Gwent has the second smallest local authority population in Wales, it is only 15 miles long and 8 miles wide. Results of the Census 2021 show that the resident population of Blaenau Gwent is 66,900, which is a decrease of 4.2% from the 2011 Census when the population was 69,800, this is the highest decline in Wales, much of this decline is working aged people aged 15-64 years old. The Council continues to be the largest employer within the borough, employing 2,953 people (including school-based staff), the vast majority of whom also live in the borough. Deprivation and poverty still persist within the area, we have the highest number of children in low-income families in Wales, with relative poverty at 32.2% and absolute poverty at 21.9%.

Our deprivation and ageing population coupled with the cost-of-living crisis is resulting in increasing demand for services / support, whilst inflation and high energy costs is resulting in higher costs to deliver services. In relation to our funding in 2022/23 our Aggregate External Finance increased by 8.67% whilst costs on average increased by 13%, we expect to see a similar trend for the current financial year. The AEF for Blaenau Gwent increased by 6.5% in 2023/24 the lowest in Wales compared to the Welsh average of 7.9%, based on cost increases this resulted us in having to find £6 million savings (cuts) in 2023/24.

Blaenau Gwent believes the current Standard Spending Assessment (SSA) is flawed which enables those prosperous areas with greater population numbers, greater businesses, and well-paid jobs to gain at the detriment of those more deprived areas with reducing populations, less businesses and lower paid jobs.

The Welsh Local Government has considered the changes of funding distribution of the SSA between 2008/9 to 2023/4, Appendix 1 shows during this period Blaenau Gwent's SSA funding is 12% less than the average compared to Cardiff City Council which saw an increase of 16.8% above the average, a 28% swing between some of the wealthiest and poorest communities in Wales.

Blaenau Gwent Aggregate External Funding equates to 79.1% and Council tax 20.9% of the Council's budget. This is further exacerbated by our Council Tax Bands, Blaenau Gwent has 83% of properties in tax band A&B, as comparison Monmouthshire has 9% whilst the Welsh average is 35%. Therefore, we experience a 'gearing effect', which puts an unfair burden on a smaller proportion of the higher bands of Council taxpayers. So, for example the Council taxpayer on average living in a band D property in Cardiff pays £1,418 per annum whilst in Blaenau Gwent they will pay £2,078 per annum a difference of £662. This means the authority has little means of plugging the gap through increasing Council tax to meet any gap in funding within the Aggregate External Finance. A 1% increase in Council tax in Cardiff can

generate £1.6m additional income, a 1% increase in Blaenau Gwent generates £330K additional income.

In Gwent over the last 12 months, the Public Services Board has moved from 5 localities partnerships into one combined body, which brings together the 5 Local Authorities of Gwent, the Police Service, and the Health Board and other public and community organisations. The Board has adopted Sir Michael Marmot's 8 principles towards a Fairer Society. The Marmot report to achieve a fairer Gwent sets out 192 recommendations, all of which need to be addressed to make the changes we need to make with and for our communities. A great deal of this work has been discussed in the context of 'health inequalities.' Whilst this is an important framework it can distract from where good health and wellbeing occurs and therefore look to health services for the answers. When in fact good health starts outside of hospital waiting rooms and GP surgeries and we need to look to the wider determinants of health to deliver a Fairer, Safer, Stronger Gwent.

So, working with the Institute of Health Equity they have been able to look at some of the key indicators of inequality throughout Gwent and this clearly shows the impact that inequality is having on Blaenau Gwent and unless something radically changes Blaenau Gwent is going to continue to be in this position for many years to come. We will never be able to address deprivation and poverty unless the SSA formula puts more weight on these factors than the current formula does.

The following Appendices provide evidence and statistics showing the impact that deprivation has on Blaenau Gwent compared to our neighbouring authorities.

Appendix 2 clearly shows the life expectancy of women and men across Gwent with Blaenau Gwent firmly at the bottom and Monmouthshire at the top. In fact, all but Monmouthshire are above the Welsh average life expectancy. Disturbingly we can see prior to the pandemic there was a reduction in life expectancy of woman in the area which is disturbing.

Appendix 3 show that all our wards across Blaenau Gwent are below the Welsh average life expectancy for both men and women.

Appendix 4 also shows that all our wards are above the Welsh average for chronic health conditions – which pulls heavily on our services more than other areas.

Appendix 5 again shows all our wards are above the Welsh average in people lacking a qualification compared to other authorities.

Appendix 6 show performance of those pupils eligible for FSM's and non-FSM's again we are below the Welsh average on both, although the information is based on 2018/19 figures and we believe we have made good progress in this area over recent years.

Appendix 7 is one of the most telling figures, we are the lowest in Gwent by a distance and way behind the Welsh average in jobs per resident compared to our neighbouring authorities.

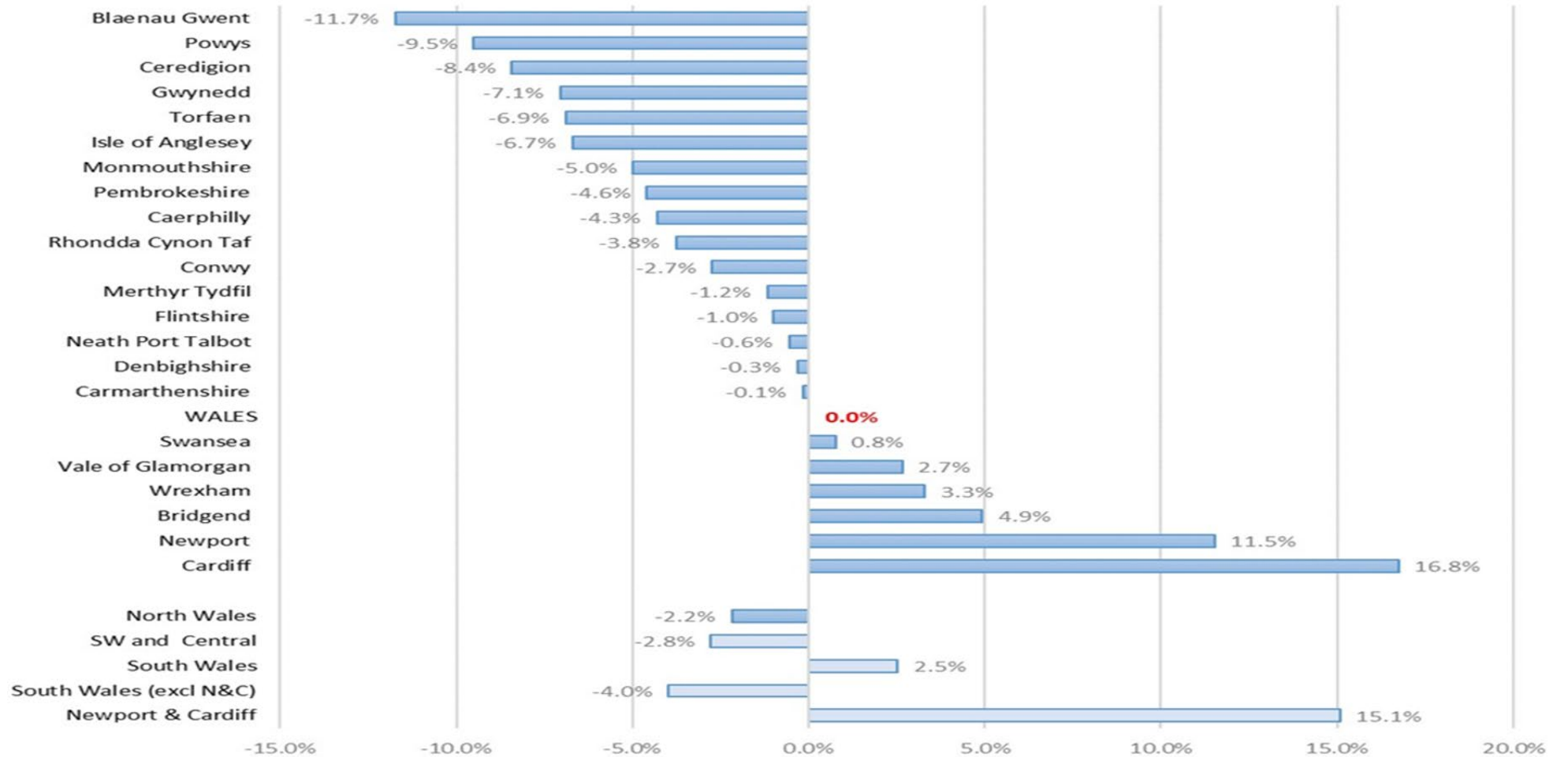
Appendix 8 shows the change in those economically inactive who want a job between 2010 and 2022, a significant reduction for Blaenau Gwent and Torfaen

Appendix 9 shows the percentage of staff earning below the National Living Wage, the largest in Gwent and above the Welsh average.

Appendix 10 shows a larger percentage of our workforce travel to work than other Gwent authorities, less likely to work from home and close to the Welsh average in terms of walking to work and other methods of travel.

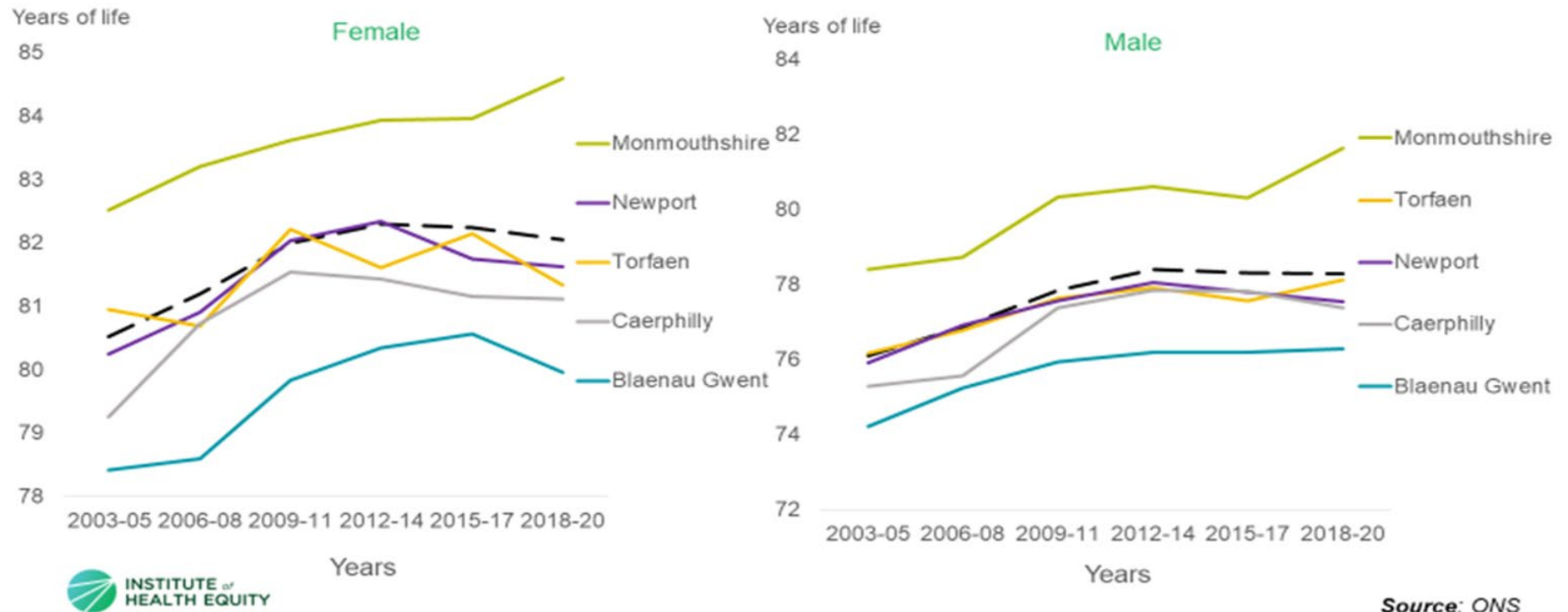
In conclusion Blaenau Gwent based on its Council tax banding is more dependent on the Aggregate External Funding from Welsh Government than other authorities across Wales. In addition, we feel the current Standard Spending Assessment formula is not putting enough emphasis or weighting for deprivation which as a result in not enabling us to improve the lives of our residents and communities to reduce deprivation and poverty in Blaenau Gwent. We also because of our Council tax banding are putting an unfair burden on those residents living in properties in bands C and above. To improve inequalities and deprivation we require good healthy inward investments and appropriate Aggregate External Funding to be able to turn things around rather than see the area and our community's further decline.

Appendix 1 Changes in SSA (relative to the Wales increase of 55%) from 2008-09 to 2023-24



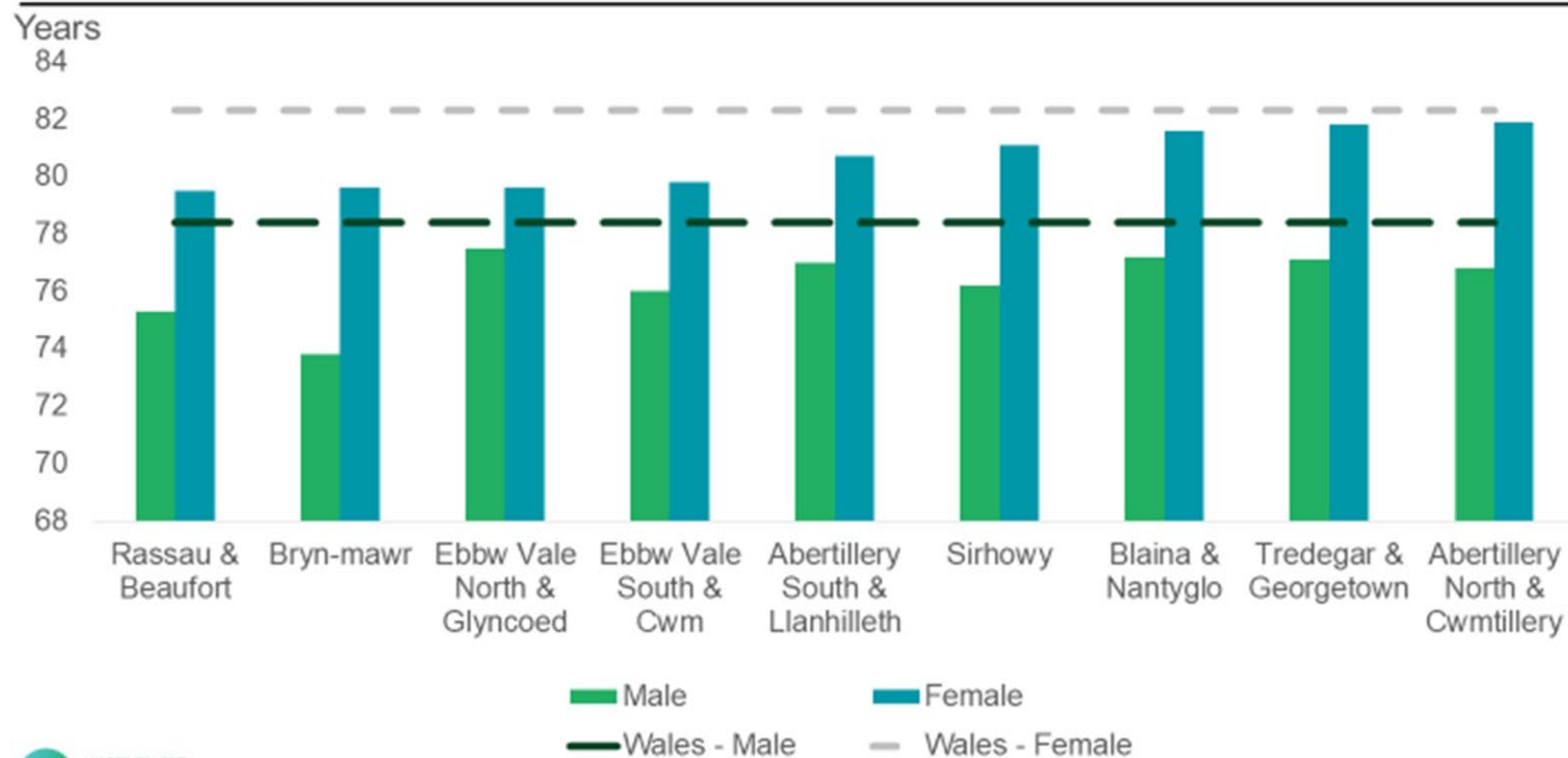
Appendix 2

Trend in life expectancy, Gwent local authorities and Wales, 2003-05 to 2018-20



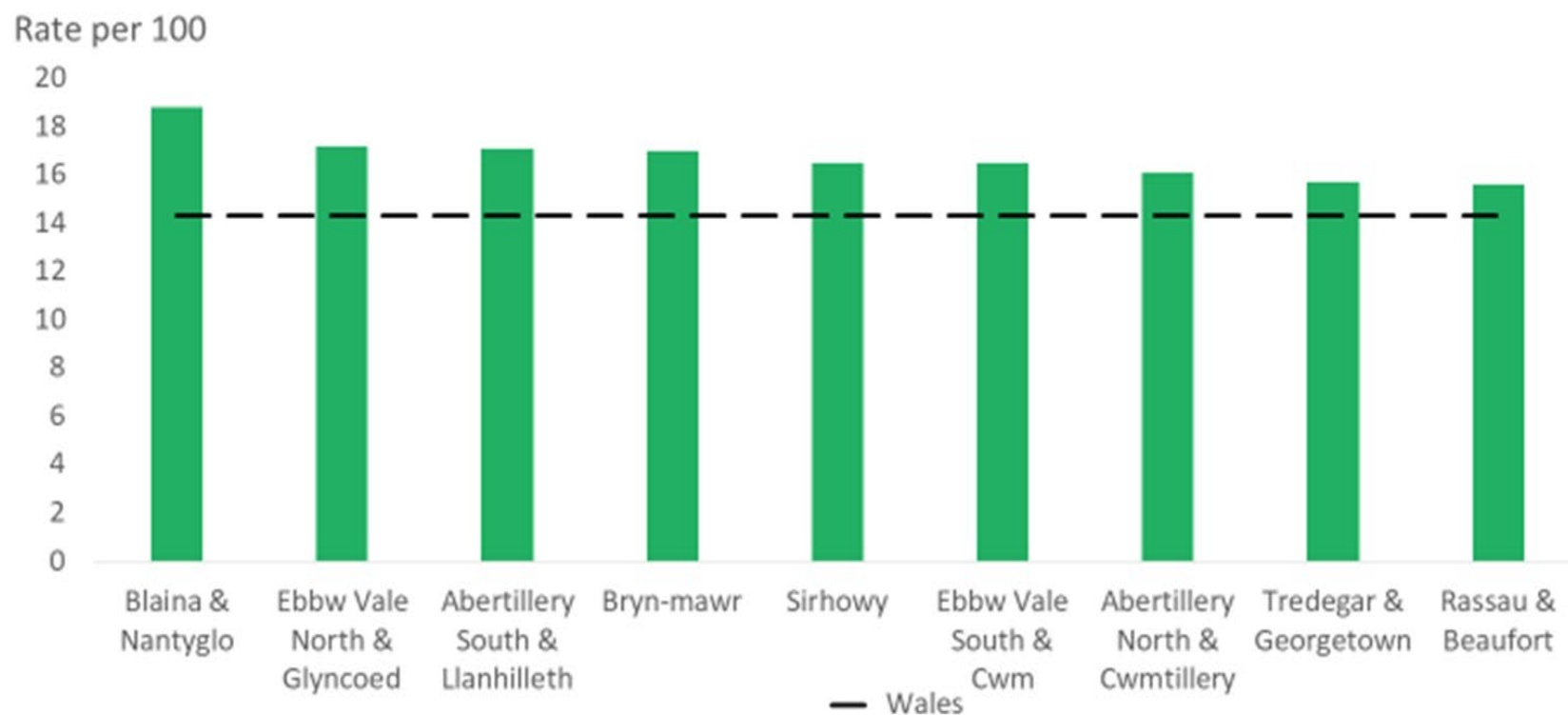
Appendix 3

Life expectancy, Blaenau Gwent wards and Wales, 2013-17



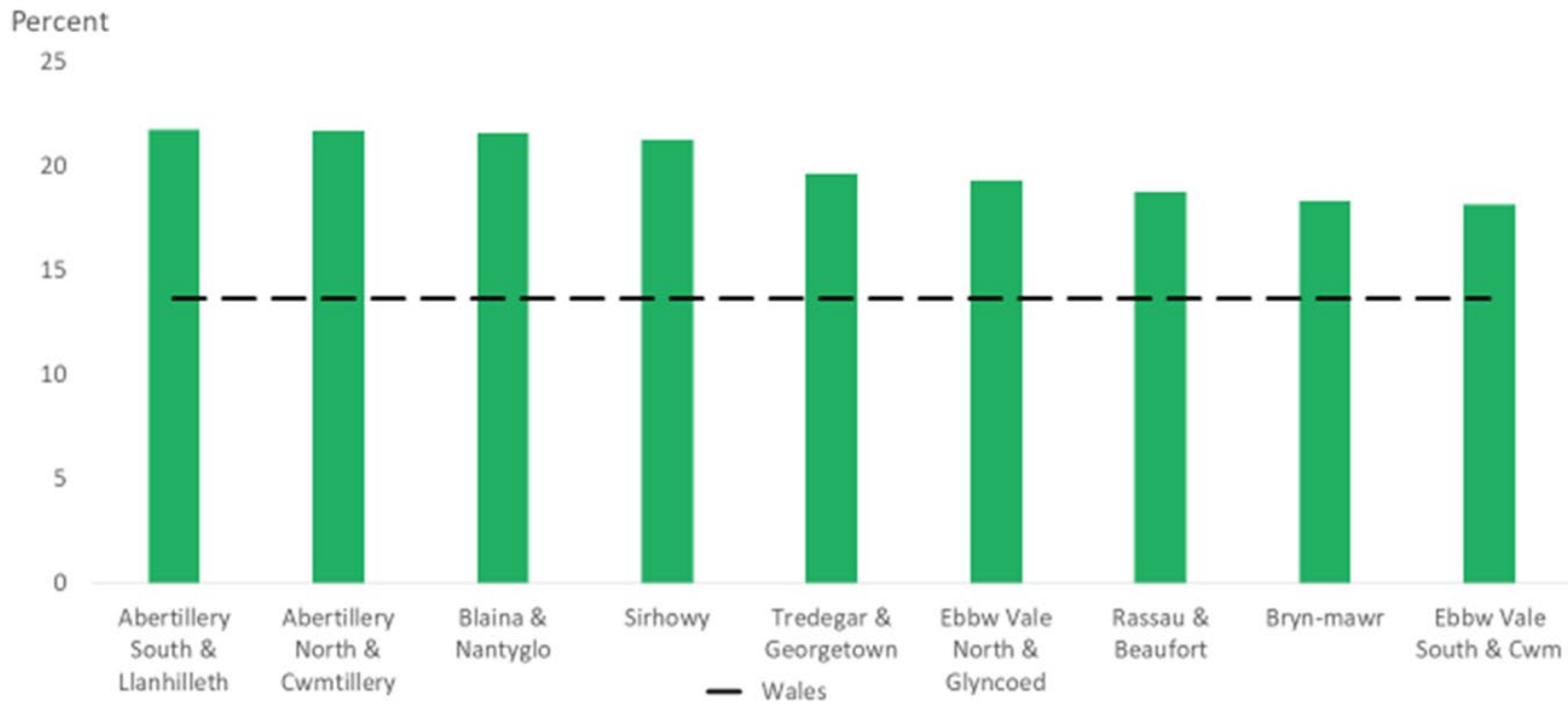
Appendix 4

Rate per 100 population, GP recorded chronic health conditions*, Blaenau Gwent Middle Super Output Areas (MSOAs) and Wales, 2019



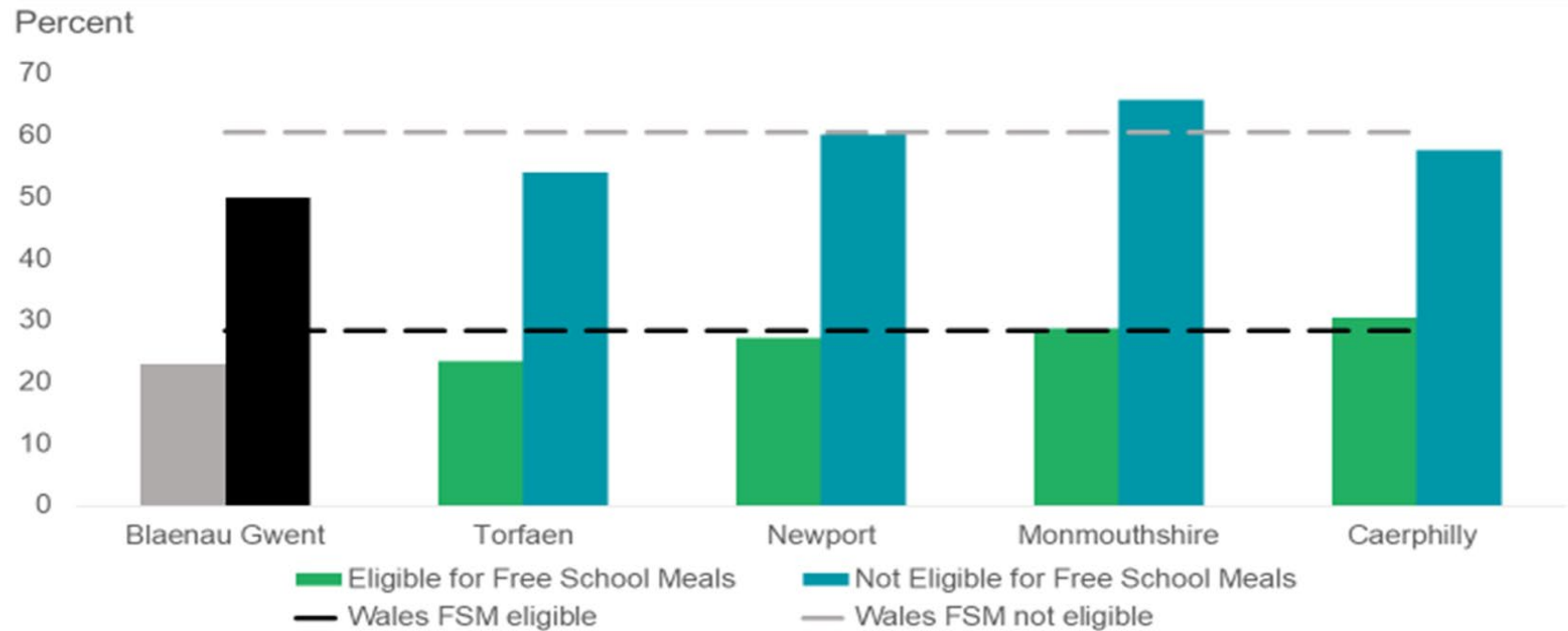
Appendix 5

Percent of population aged 16-64 with no qualifications, Blaenau Gwent MSOAs and Wales, 2021 (not age-standardised)



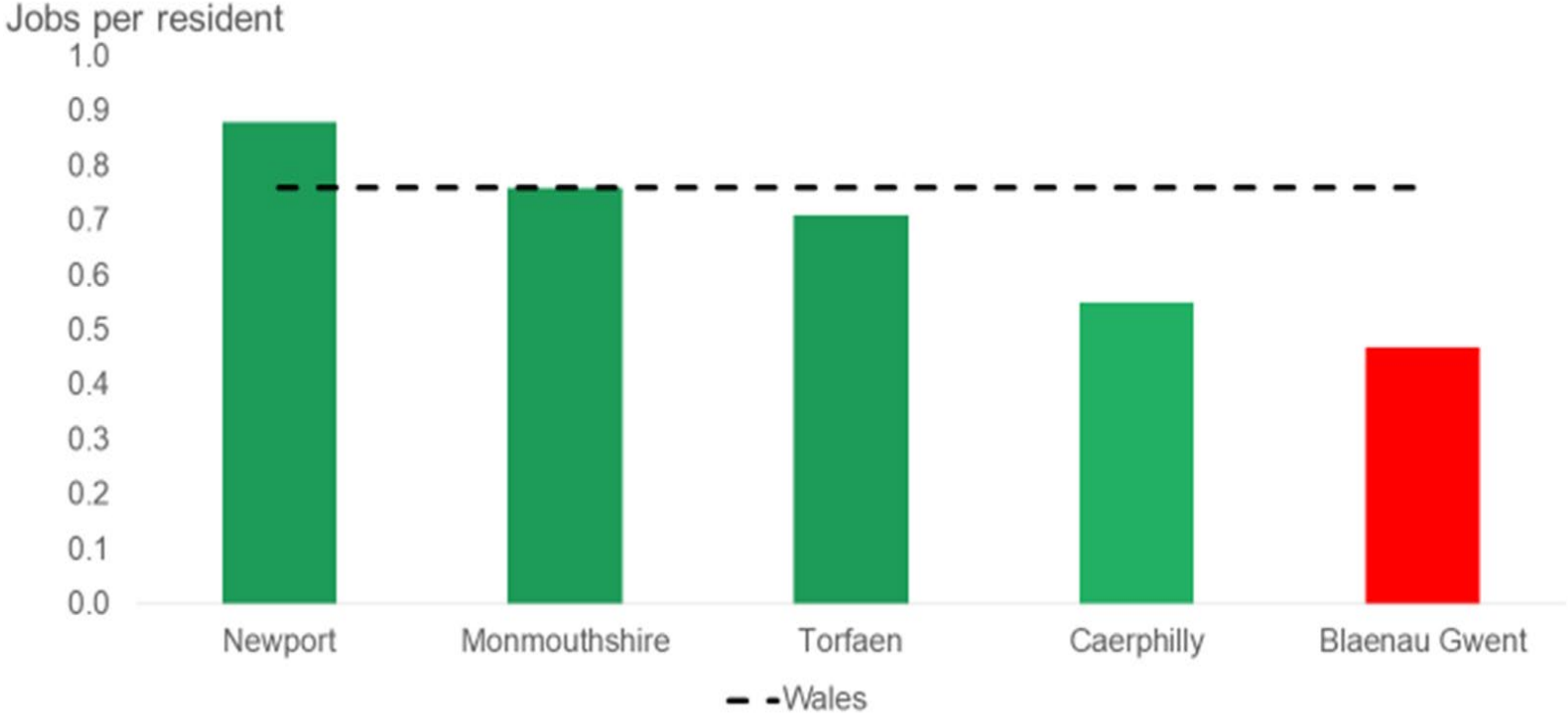
Appendix 6

Percent of pupils achieving 5 GCSEs A* - C including English or Welsh, and Mathematics, Gwent local authorities and Wales, 2018/19



Appendix 7

Jobs per resident, Gwent local authorities and Wales, 2020



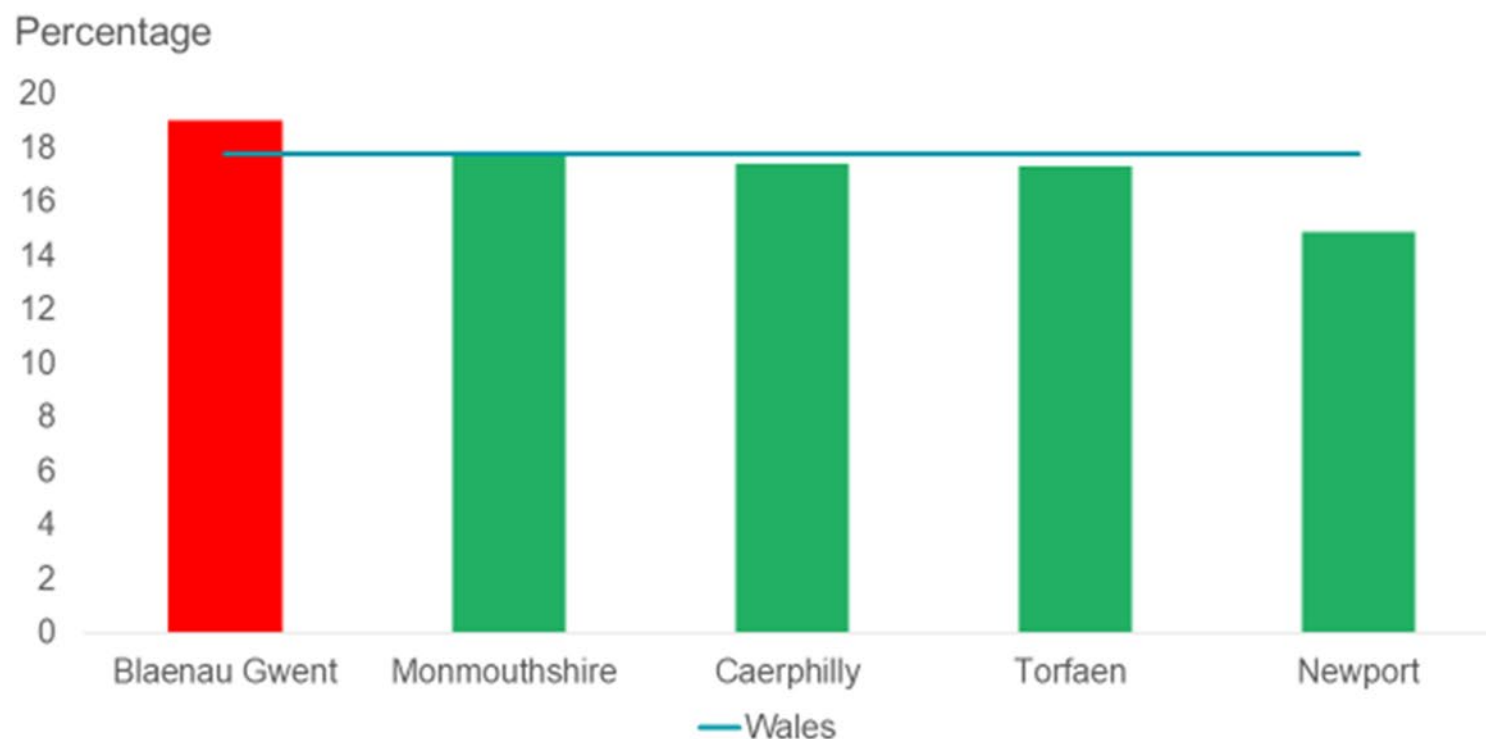
Appendix 8

% of economically inactive who want a job, Gwent local authorities and Wales, 2010 and 2022.

	2010	2022	Percentage difference
Blaenau Gwent	24.8	11.3	-57.9%
Caerphilly	29.2	20.4	-30.1%
Monmouthshire	24.9	13.9	-44.1%
Newport	29.1	24.2	-16.8%
Torfaen	24.8	11.3	-54.4%
Wales	25	16.9	-32.4%

Appendix 9

Employees earning below the living wage*, Gwent local authorities and Wales, 2020-2021



Appendix 10

Percent of all travelling to work, by method of travel, Gwent local authorities and Wales, 2021

