



Ein cyf/Our ref MD/00593/18

David John Rowlands AM  
Chair  
Petitions committee  
National Assembly for Wales  
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Dear David,

Thank you for your letter of 31 October about the petition P-05-840, which the Committee considered at its meeting on 23 October.

In my letter of 27 September I set out how we were working hard during our budget preparations to protect public services from the worst impacts of austerity, including local government.

On 23 October we published the detailed Draft Budget 2019-20, the Cabinet recognised the very real pressures local authorities are facing and were resolute in our commitment to do all we can to protect authorities from the worst effects of the UK Government's damaging policy of austerity.

We worked hard during the preparation of the draft Budget 2019-20 to reduce that reduction in funding to less than £15m (equivalent to a reduction of 0.3% in the RSG). We also put in place a floor to ensure no authority would face a reduction in funding of more than 1%.

The draft Budget also provided £84m of additional revenue in special grants and other funding streams for local government outside the RSG, this included a £30m grant to support local government in delivering social care.

We have recognised in our funding decisions the specific areas where local government has said it has most pressures. In response to this we have:

- Invested £30m through the Health and Local Government Partnership Boards where health and local government work together
- Passed on all of the funding we sought and received from UKG for teachers' pay to local government for this year and next - that's £23m over this year and next year
- Provided funding for free school meals changes from the Welsh Reserve rather than as in England from existing budgets – £11m over this year and next

- Provided £15m additional funding for education

The £30m grant to support local government in delivering social care will be used to address workforce pressures, including those in domiciliary care and to support the wider sustainability of services. It is our intention to provide local government with broad flexibility in how this funding is best used to address the social care workforce pressures and service sustainability issues faced locally. To maximise the reach of this funding administrative arrangements associated with the grant will be light touch. We will engage with local government as to the most effective way of distributing this funding using existing consultative fora for advice, such as the Distribution Sub-Group.

We recognised, however, that this was a challenging settlement overall and we committed to local government being a key priority for any additional funding following the UK Autumn Budget last month. On the 20 November I announced a package of additional funding proposals for local government, which will be included in the Final Budget I attach a copy of my written statement. These additional measures represent a package worth an extra £141.5m (revenue and capital) for local government over three years (2018-19 to 2020-21) and include funding to help meet the repair and clean-up costs associated with Storm Callum, the costs pressures associated with implementing the teachers pay award and extra capital for the local authorities' general capital fund.

An additional £13m has been added to the revenue support grant in 2019-20 to provide a cash flat settlement as well as an additional £1.2m to raise the funding floor so that no local authority has to manage with a reduction of more than 0.5% in its Aggregate External Finance next year.

Yours sincerely



**Mark Drakeford AC/AM**

Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance