

Welsh Government

Consultation – summary of response

Provisional Local Government

Settlement 2024-2025

Summary of Main Consultation Comments

NB: The following reflect the respondents' views and interpretations as given in their responses.

Neath Port Talbot Council - Provisional Settlement of 2.8%

The Council state their 2.8% provisional settlement figure is less than the Wales average of 3.1%, an increase of £7.928m for 2024-25. As their financial pressures from Social Services, Homelessness, Education, Fire and Rescue Services along with other Council functions amounts to £30.5m, there is a significant budget gap.

They express concern that the Welsh Government's proposed allocations for health and social care do not reflect a system approach and are without parity. It is unsustainable for them to fund social care pressures by cutting funding across other Council services. Covid19 legacy costs along with market failures and demographic trends requires additional government funding.

As the Welsh NHS consumes an increasing share of the Welsh Government budget, social services will use a growing amount of allocated Council funding therefore increasing the risk of other services diminishing further. There will be unacceptable risks of service failure and an elevated risk that more Councils will experience financial distress.

Real pressures also continue to exist in schools. The settlement will significantly impact on the most vulnerable learners with head teachers being forced to reduce support staff and intervention programmes in order to maintain teacher: pupil ratios. This will result in more learners struggling to maintain their school place, reduced attendance and increased exclusion resulting in more financial pressure for Councils to fund expensive alternative provision.

Neath Port Talbot Council acknowledges the difficult choices Welsh Government has to make but requests further adjustments are made to the final settlement to alleviate some Council pressures. They strongly urge the removal of the cap on domiciliary care fees which, based on service users' ability to pay, would raise a modest income.

The council will be unable to absorb the impact from the freezing, reduction or removal of specific grants and request the proposed Social Care Workforce grant cut is reviewed. Reducing the grant funding will be difficult to achieve as it supports unavoidable adult social care costs. The Council requests an exception is also made to the proposed cut on the Communities for Work Grant. Given the enormous impact of the Tata announcement, they feel it is inappropriate to cut investment in this service when there is such a large loss of employment.

As it is Welsh Ministers who negotiate the teachers' pay awards, it is reasonable to expect the Welsh Government to either contain pay awards within available Council funding or top up the budgets if they settle above the provided funding, rather than authorities having to meet the full costs.

The increase in the level of contribution for the teacher and fire service pension schemes is noted and they understand the UK Government will provide additional allocations to cover these significant costs. Early confirmation is requested that the Welsh Government will passport these funds to Councils in full.

They also seek assurances that new unfunded burdens will be avoided.

The council is experiencing unprecedented demand levels across their services following the legacy response to Covid-19, continuing Cost of Living crisis, various demographic trends, new policy initiatives and service cost increases. The budget

gap means they will have no option but to consider raising Council Tax above the rate of inflation, potentially to double figures. They are seeking to limit the increase as they are mindful of their community's financial hardship. Acting on the points they have raised will help them to try and achieve that.

Torfaen County Borough Council - Provisional Settlement of 3.3%

The Council recognises the current challenging times for all public services. They are seeing increasing demands and costs of services when funding is falling significantly in real terms and difficult choices will have to be made as they seek to protect essential front-line services. The Welsh Government's approach to work in partnership with local government has been instrumental in helping authorities navigate through the challenging of times, with openness and trust being the cornerstone of their response to the challenges faced.

The two previous settlements were very positive for councils and helped protect local services and overall financial resilience. They fully appreciate the challenges and difficult funding decisions Welsh Government has to make and recognises the forward indication of maintaining a 3.1% core funding uplift, which allows some aspect of forward planning. Though their financial situation would be worse without the relative protection, it still does not meet the acute pressures they face.

Narrative should be shared around difficult choices and avoid any implication that councils are in a better position than they actually are or that funding has been provided to meet specific commitments.

They support the NHS funding increase but the scale of it is significant in comparison to what local government is able to provide in social care. A robust and thriving social care sector is vital to the sustainability of the NHS and their role in early intervention and prevention. The Council is therefore disappointed the Social Care and Workforce Grant has reduced and request consideration is given to restoring it and they also request movement on increasing the social care cap. These modest changes would have a positive impact in 2024-25.

Torfaen strongly believes recurrent funding for the 2023-24 teachers' pay deal should be restored rather than it be found from within the 3.1% uplift. It is imperative full funding is provided to councils to meet the liability funding for teachers' and fire fighters' pension contributions.

They welcomed the consolidation of Educations grants and hope it will lead to a further reduction in administrative burden but remain concerned about aspects of grant funding, particularly those not yet announced.

They understand the uncertainty at UK level but are disappointed there is no forward indication of future funding levels. They are expected to produce robust medium term financial plans and face adverse regulator comments if they fail to produce one and plan for the long term. This is extremely difficult without an indication of future core and grant funding and leads to a lot of worse case planning and the consequence of choices that have to be made.

Their medium term challenges continue to be significant and the need to work in partnership continues to be important. Funding is therefore needed to sustain and allow investment in vital public services.

Working together in partnership continues to be of benefit and Torfaen remains committed to working with the Welsh Government to achieve common aspirations for their citizens.

Monmouthshire County Council - Provisional Settlement of 2.3%

The Welsh Government funding is insufficient to shield Monmouthshire's public service budgets from inflation and increasing demands but they acknowledge the 2024-25 settlement delivers a 3.1% average increase in line with previous indications.

The council is facing major challenges due to the costs of living crisis and hard choices will have to be made in setting next year's budget.

Monmouthshire relies on council tax more than any other Welsh council to fund their services and are considering increasing it to avoid additional impacts on schools and front line services. They welcome the Welsh Government scheme that supports low income and vulnerable households pay their council tax and the opportunity to respond on a fairer council tax system and council tax reduction scheme.

Concern is expressed regarding teachers and local government pay awards which will have a potential impact on their budget. Though the teachers' pay award for 2023-24 was partially funded, there is no transfer into this year's settlement which adds further pay pressures for 2024-25. They urge the Welsh Government to engage with pay review bodies and to disclose anticipated pay offers in advance of budget setting as councils are left vulnerable to further potential pay pressures.

They are concerned how the Teachers' Pension Scheme review will impact and affect all Welsh authorities. It indicates employer contributions are to increase by 5 percentage points to 28.6% of pensionable pay from April 2024, resulting in additional costs of about £1.5m. The council is not incorporating this in their draft budget as they assume the UK Government will fully fund the increase and anticipate there will be consequential Wales funding. They support the Welsh Government's intentions to press the UK Treasury for assurances.

They have challenges in meeting the needs of their most vulnerable people with their care sector experiencing recruitment and retention issues. They appreciate the funding that ensures care workers are paid at least the Real Living Wage but market forces are driving the wages higher than that level. They urge the Welsh Government to have a fully funded social care plan and to pressure the UK Government for the necessary funding. More recognition is needed of the role and importance of social care and more collaboration and prevention work with the NHS.

The weekly cap increase for non-residential care is appreciated but they ask to be advised at the earliest opportunity to implement changes which would help offset increasing adult social care cost pressures. They suggest introducing mechanisms to allow the cap to be increased annually in line with inflation.

Monmouthshire are dedicated to the needs of the homelessness and are concerned that some grant reductions affect this issue. They request more funding for homelessness and housing support is provided in the final budget proposals.

The Eliminate agenda, which aims to remove profit from the children in care market and improve their outcomes, is not fully Welsh Government funded and creates council operational and financial uncertainty. Specific funding has been confirmed until 2024-25 but operational pressures and a ripple effect continues beyond that.

They will be unable to fully fund all school pay-related pressures so schools will have to make efficiency savings and contribute to the wider budget challenges. Schools are also facing significant challenges delivering the new Curriculum for Wales, the ALN and Tribunal Act as well as improving standards and supporting vulnerable learners. Decline in school balances and increased school deficit are a concern which requires further council and schools' remedial action.

The proposed reduction of relief for non-domestic rate payers especially retail, leisure and hospitality sectors is a concern which could drive businesses to relocate to England. Everyone is facing cost of living challenges and whilst appreciating past support packages, the proposed and significant reduction in rates relief and increase of non-domestic rates multiplier is too much of a burden to sustain local businesses. They urge the Welsh Government to reconsider and provide more support for businesses to reduce the lasting damage on the Welsh economy.

In order to help local authorities with their financial planning, the UK Government should be pressed to provide more reliable indicative funding increases over the medium term. Monmouthshire have very low levels of reserves compared to some other councils and suggest this should be taken account of in the distribution or allocation of specific grants.

As a rural authority, they face particular service user challenges e.g. social care, waste collection and transport and highways. These difficulties are recognised by sustaining locally accessible services in order to combat rural isolation. They request funding is based on a fairer system which acknowledges unique rural challenges they face when providing services across a diverse geography.

The council agrees with the aim to reduce unnecessary grant bureaucracy and welcomes their movement into the de-hypothecated settlement. The rationalisation of education grants is also welcomed. They continue to reiterate the need for early notification of grants to aid with next year's budget planning.

As embedding climate change and nature emergency aligns with Monmouthshire's commitment and ambitions, they seek clarification on funding available to support the transition to net zero.

Though Capital funding has been maintained at current year levels, it translates into a real term reduction in the general and specific grants. Concerns are raised about the impact of this on their ability to address unfunded capital pressures and to allow investment in priority areas.

Monmouthshire shares the common goals of reducing inequality and poverty and addressing climate and nature emergencies. There is a clear and collective acknowledgement of the cost-of-living challenges and public spending constraints, and they look forward to working with the Welsh Government through the social partnership that binds both together as public services.

Pembrokeshire County Council - Provisional Settlement of 2.5%

The Council appreciates that the timing of the UK Government Autumn Statement caused delays in the publication of the provisional settlement but they hope for a return to receiving it in October and the final settlement in December in future years.

As the council faces unprecedented financial challenges, they would welcome receiving indicative Wales-level core revenue funding allocations and capital and revenue grants for future years. This would provide them with a level of certainty for their medium-term financial planning.

They are disappointed in their 2.5% AEF increase as it has minimal impact on their £22.6m inflationary pressures. These pressures may further increase once the impact of the 6.3% reduction in revenue grants at all-Wales level is known at council level.

To produce a balanced budget next year, they will require a Council Tax (Band D) increase of 17% or more and budget savings of around £12m. They will also need to

utilise a significant element of Council Tax premiums to fund the 'affordable housing and enhance the sustainability of local communities' elements of the budget as well as the use of reserves.

They hope early confirmation of the permanent increase in funding of the £3m teachers' pension employer's contribution will be forthcoming.

They urge for a significant number of specific grants be included in the settlement as unhypothecated funding, therefore reducing the grant administration and management burden on their workforce and aid their financial planning.

The Council Tax Reduction Scheme (CTRS) funding, whilst maintained for 2024-25, is effectively another annual reduction and increases the funding gap. Their CTRS costs are around £3.5 more than the funding received so they would like to see an increase to a level where CTRS is fully funded.

They face specific challenges with Children's Social Care demand pressures estimated at £9.6m, Adult Social Care at £5.1m and Homelessness at £1.2m for next year.

Nationally, children who are coming into contact with Children's Services are experiencing far more complex issues than previous years resulting in a dramatic increase in those needing emergency or specialist placements. This is a significant challenge for the Authority in sourcing registered and cost effective provision in order to fulfil their statutory obligations.

The council has one of the highest levels of inward migration of older people and have to contend with sustained high levels of demand and associated complexities. Social care supports people and the wider resilience of the health system but this requires resources. They are extremely concerned about current social care pressures due to growing demographics, the cost of living crisis, workforce and inflationary pressures as their budgets are not stretching far enough.

They have a high number of homelessness people they are required to support which has led to significant pressures associated with temporary housing costs. The 'No One Left Out Grant' funding offsets part of the costs of some temporary accommodation but is insufficient to cover overall costs.

Real school pressures continue to exist where more learners than ever need support and to ensure progress. The most vulnerable learners are being impacted as

Headteachers are being forced to reduce support staff and intervention programmes to maintain teacher: pupil ratios. This results in more learners struggling to maintain their school place, increased exclusions with greater financial pressure on councils to fund the costly alternative provision and budgetary pressure.

The council's school balances have reduced significantly in recent years due to various inflationary pressures. They have nine schools with deficit budgets and in the coming year, more will find themselves either in the same situation or close to it. Their central education teams have reduced significantly over the past years. They continue to be stretched in delivering, supporting and managing these statutory services, including improvement and additional learning services, and youth and youth offending services .

To get a balanced budget over the medium term, the council will have to consider continuing the provision of its discretionary services and level of statutory service provision. It would help if authorities could be provided with details of what is considered as acceptable levels of service provision and still meets legislative requirements. Due to unprecedented increases in children's services and projected

demographic increases, the council will be unable to continue in delivering the minimum safe statutory provision without additional funding resources.

Pembrokeshire advises the proposed settlement may provide opportunities for people to use the Welsh language and treat the Welsh language no less favourably than the English language.

With unprecedented financial challenges being faced, the “partnership approach” between Welsh Government, the WLGA and local authorities must continue in the future to benefit local government in Wales.

Ceredigion County Council- Provisional Settlement of 2.6%

The Council acknowledges the 2024-25 budget is the ‘starkest and most painful since devolution’ but recognise the Welsh Government has maintained the previously published all-Wales 3.1% increase to Welsh Authorities. Their financial landscape however is different to what national inflation indices suggest. Their services are under considerable cost pressure equivalent to the council’s specific inflation factor of 10.1% for next year. With only a 2.6% settlement increase, they have a substantial shortfall of £14.6m that will need to be found from a combination of budget reductions and very difficult Council Tax considerations.

Within the all-Wales settlement increase, there is a wide range of increases existing at an individual authority level from 2.0% to 4.7%. It is also clear that an extra £1.3m of funding has been found outside of the settlement to provide support to 2 Councils (Gwynedd CC and Conwy BC) via a funding floor. It is not clear why a higher funding floor could not have been used thus ensuring a lower range of increases and more consistency around a 3.1% level.

Ceredigion have lobbied many times for a funding floor when they have been near or at the bottom of the settlement table. No consideration or protection was given to them despite the increases when in 2021-22 they were ranked 22nd in the table (population data set used) with increases being 1.96% to 5.6% and all Wales average was 3.8%.

Some authorities have clearly benefited financially due to their population being overstated during the latter part of the last decade and the use of estimated datasets. These authorities were still benefitting in 2023-24 as the average 2021 Census data and 2018 based projections were used rather than a full move to the Census data. Ceredigion’s 2021 Census showed an overstated population decline which has been detrimental to their taxpayers of over £825k during 2021-22 and 2022-23. Therefore the most up to date population datasets should be used wherever possible. They also request a higher funding floor (much closer to 3.1%) is implemented for the 2024-25 Final Settlement.

Rural authorities and those facing an ageing population (which now outstrips the reducing number of school-age children), appears to be disproportionately affected. The rising cost of transport services in rural areas is becoming a significant financial issue that is not being recognised. This methodology should be reviewed so that the right datasets of Social Care pressures are being properly recognised in the underlying settlement calculations. They request the Welsh Government ask the Distribution Sub Group to ensure the range of settlement data sets remain fit for purpose, particularly the social care pressures being experienced across Wales.

The Mid & West Fire Authority 9.4% budget increase is not compatible with a 2.6% settlement increase and will result in a disproportionate burden for their taxpayers. The council’s Fire SSA is £1m lower than the proposed levy for 2024-25 and as the Fire Authority is a levying body, the council has to explain to residents why the

Council Tax bill needs to increase by over 1% just to fund this. There is also the additional issue of Fire-fighters pensions and Employer contribution increases.

They request the Welsh Government reconsiders whether Fire Authorities should be Precepting bodies in the same way as the Police Authority and Town & Community Councils. They ask for assurance and clarity for the Fire Authority regarding additional Fire-fighters pension costs and as the Fire Authority is the employing body, they need to receive any Pensions grant and not the local authority.

The council recognised the additional 2023-24 Teachers Pay Award however it was insufficient and at best was 92% funded by Ceredigion. As a devolved matter the Welsh Government has not followed through in ensuring this was fully funded. The Employers' contribution increase will result in an additional £1.4m costs and assurance is sought that as the funding will be provided by the UK Government, it will be cost neutral to authorities and not another Delegated Schools cost pressure.

They request consideration is given to whether a separate standardised pay structure should exist for Social Care in Wales and also challenge whether the existing NJC Pay process is still fit for purpose for non-Teaching public sector employees in Wales.

It is important the Welsh Government's Real Living Wage (RLW) commitment for Registered Social Care workers remains as 100% fully funded at national level. The RLW 10.1% increase is incompatible with Ceredigion's 2.6% settlement funding increase and so they can no longer fund this commitment without it becoming a burden to their taxpayers. They request additional money is provided to meet the full cost for the Real Living Wage commitment.

The proposed cut in the Social Care Workforce grant is bewildering when there are significant social care sector recruitment and retention challenges. As it is a critical grant they request the cut is at least reversed or additional funding provided.

The charge for non-residential social care services such as Domiciliary Care has not been reviewed for several years. They request the social care financial assessment charging regimes are reviewed including uplifting the £100 weekly charge for non-residential social care to at least take account of inflation.

The Provisional Settlement states that £244m is included for the continuation of full entitlements under the Council Tax Reduction Scheme (CTRS) but this has been unchanged from previous years. Compared to their £6.5m budget requirement for 2023-24, and even before factoring in 2024-25 considerations, they have a substantial shortfall of over £1.3m. The scheme is far from being fully funded and the Welsh Government needs to recognise and address that it is largely a national scheme with minimal local discretion. Where that local discretion is exercised, it only adds very negligible additional costs.

They continue to be extremely disappointed with the Capital funding level. The flat all Wales position does not cover considerable contract inflation which has compounded over several years of inadequate capital funding. The current core capital funding level is still lower in cash terms than funding received over 15 years ago and represents a real term cut.

The consolidation of the education grants has potentially significant ramifications at individual school level. It is imperative the detailed impact of these changes is communicated at the earliest opportunity to enable Headteachers & Governors to be able to plan their budgets accordingly.

Publishing the Welsh Government budget and final settlement on the same day leaves councils little time beforehand to set their budgets and council tax by the legal

requirement of 11th March. Chief Finance officers should be provisionally notified at the earliest opportunity of any proposed changes to the 2024-25 final settlement and to the education specific grants.

They request the Welsh Government reviews and reduces the local authority burden regarding Corporate Joint Committees and ensure that all costs incurred are 100% fully funded by the Welsh Government.

The UK Government recently announced additional Social Care funding for English authorities using the Barnett formula. It is imperative that 100% of the Barnett Consequential is passported to local government to match the commitment given to their English counterparts .

As the likely funding quantum is around £30m, Ceredigion requests an absolute minimum 3.1 % final settlement funding floor for all Welsh authorities and that the proposed cut in the Social Care Workforce Grant is reversed.

Conwy County Borough Council - Provisional Settlement of 2.0%

Though the Council are grateful a floor has been applied, the proposed 2% settlement uplift will have a detrimental effect on the range and level of services they can provide residents. It equates to just over £4.1m towards pay and price inflation and increasing service demands which are further eroded by the grant withdrawal to fund the teachers September 2022 pay award increase - an additional burden of £800,000. It will cost an extra £5.3m to pay all care workers in Wales the Real Living Wage as care fees increase to keep pace with inflationary uplift. Funding was introduced into the settlement when the commitment was originally made but there has been no further recognition since to fund the ongoing pressures as a result of the annual wage growth.

They also face a range of other pressures including teachers and local government staff pay awards, general inflation, higher cost of borrowing and significant demand led pressures in social care and homelessness, totalling £29m. They are currently facing a resource shortfall of £25m. Despite them having the highest increase in Council Tax in Wales in April 2023, they will have to again consider a higher increase than they would want to impose on residents who are still struggling with the cost of living crisis. The Council Tax cannot close a shortfall of £25m and so they will be forced to consider a range of unpalatable decisions on the level and quality of the services provided which will impact negatively on their residents.

They are firmly of the view the funding allocation formula is dated, fundamentally flawed and no longer fit for purpose and is creating inequality across Wales.

Conwy's population has the highest proportion (27%) of residents aged 65+ in Wales, yet the funding formula does not take into account the most recent available data in this measure.

The formula costs allocated in respect of elderly residents have no correlation with the actual current cost of providing services and care. The council uniquely has a high proportion of its social care services, including statutory services, delivered by external providers with cost increases well above inflation and the 2% uplift.

Denbighshire and Gwynedd are similar counties to them and yet Conwy continue to receive significantly lower per capita funding in the settlement than both of these councils. If they were supported at the same level as Denbighshire, it would equate to them receiving a further £28m in funding. Whilst they recognise some differences

between them and with Denbighshire having some areas of high deprivation, they share many similarities to the extent that a difference of some £28m defies logic.

In the past two settlements, Conwy have suffered as a result of the redistribution of the updated population data following the last census. Though they only have a minor decrease in their overall population, they have lost significantly compared to others. Consideration should be given to providing a longer period of transitional protection/phasing to authorities who are subject to funding reductions due to a population decrease.

Over the past ten years they have made cuts of more than £80m with over £10m additional recurring cuts required to balance their 2024-25 budget. As they are legally required to set a balanced budget, services are being decimated to enable them to do this. The latest cuts will impact on Social Care and Education services, and it should not be underestimated the detrimental impact that over a decade of cuts have had on their ability to deliver effective, quality services to residents.

Refocussing grants is leading to a reduction in grants which fund preventative social care services. This has meant a £400k decrease for them in the Social Care Workforce grant. Grant criteria is resulting in increased delivery requirements, additional resources needed and compounding existing financial difficulties. Allocations are not accounting for inflationary cost increases. The funding is critical in the delivery of preventative services which support and deliver core services. Without these preventative services, opportunities are being lost to work more cost effectively, resulting in increased costs and inefficiencies in the longer term.

Due to difficulties in attracting and recruiting people in the social care sector they have to rely on agency workers. External providers face competition from sectors paying similar wages therefore have to offer salaries above the real living wage to attract and retain staff. This results in upward pressure on the charged care fees.

The insufficient settlement is requiring education to consider radical service delivery approaches including reducing school operating hours and reducing the GCSE and 'A' level subject choices. This will significantly impact on the quality of education for their young people. A reduction in school operating hours would place pressure on parents to provide additional childcare arrangements and increased childcare costs.

Recruitment and retention of key staff is becoming ever more challenging and experienced head teachers are resigning as it is impossible for them to manage their school budgets due to limited resource. Short term grant funding also makes it difficult to recruit staff into the service due to short term fixed employment.

School transport and energy costs continue to increase significantly higher than their settlement funding.

The settlement will significantly impede Conwy's ability to effectively deliver Welsh in the Education Strategic Plan. They have sought to protect schools from the impact of insufficient funding but in reality it is no longer possible. Schools are struggling to manage within their own schools' budgets and are increasingly under pressure, including those relating to the Welsh Language.

Welsh Government funding announcements and initiatives are often targeted at 'Health and Social Care' but in reality, it is disproportionately directed to and consumed by Health Bodies. There is little regard for the significant care related costs and the vital work to prevent further demand on health services through early

intervention. More funding should be directed specifically to local authorities in recognition of the significant part social care plays in the overall equation.

Conwy is finding it increasingly difficult to attract, retain and motivate staff to deliver high quality services in the current environment when local government pay lags behind public sector. Increased demands and lack of resources are destroying the sector and there is no option but to scale back valuable services or cease them completely.

Flintshire County Council - Provisional Settlement of 2.2%

The Council acknowledges the settlement financial challenges but continue to make a case for an improved and equitable settlement. They remain resolute that as a low funded council per-capita they are significantly exposed following a decade of reductive national budgets due to the settlement formula.

They have removed 50% from their corporate and service budgets whilst protecting social services and education budgets. Around £110m has been cut since 2008-09 and they now have nothing of a significant scale left to cut. Further poorly funded settlements will leave them with only one option and stop providing services or risk issuing a S114 notice.

Their budgets are extremely challenging with over £33m additional cost pressures. This is intensified by a £6m in-year deficit due to increased homelessness, cost pressures on their out of county budget and nationally negotiated but not nationally funded pay awards. They have never had a deficit of this magnitude since Flintshire was formed in 1996.

They are a well governed and financially managed Council and their budget challenges are not caused by their failure or inaction but by the worsening year on year lack of funding.

They are disappointed in their 2.2% settlement uplift as it once again it leaves them in the bottom four of the table. They feel North Wales has been effectively abandoned by the Welsh Government with three out of the six local authorities receiving the lowest settlement figures in Wales. The uplift when compared to their increase in operating costs leaves them in a near unmanageable situation.

The current funding formula is not fit for purpose and does not reflect the complexities and demands being placed on local services. The council accepts the funding the Welsh Government received has reduced significantly therefore affecting the settlement amount, but urgent consideration should be given to finding a more equitable mechanism to redistribute this funding.

The Home Care Fee Cap, introduced in April 2019, helps people receive care in their own homes. Since then home care costs have increased significantly over the last few years with the introduction of the real living wage and have outstripped the care fee cap increase. The cap should be increased by a £30 minimum therefore enabling authorities to further invest in the care market and ensure there are sufficient services to meet local needs.

Home care is an essential service for many vulnerable individuals and without this support, many would struggle to live independently in their own homes, forcing them to rely on more expensive and less personal care options such as residential care homes. As Flintshire's population ages, the demand for these services outstrips supply with a predicted significant increase locally and nationally over the next 20 years. Investing in home care impacts directly on health services but if services are readily available to support people after a hospital stay, the burden on the NHS and other health care providers can be reduced. Without either Welsh Government

funding or by increasing the cap, councils' risk being unable to meet their duty. The current cap on this funding is outdated and insufficient to meet the demands of future services.

A national model for care home fees in Wales is imperative to ensure that care homes throughout the country charge a fair and consistent rate for their services. It would establish a standardised fee structure all care homes would have to follow and give greater transparency for families and individuals, prevent unfair pricing practices and ensure care homes are adequately funded by Welsh Government to provide high-quality care.

Flintshire is fully supportive of the Welsh Government's strategic intent to eliminate profit from children's residential and independent fostering services, but it needs to be fully resourced with achievable timeframes. Unprecedented levels and increased use of emergency residential and independent placements plus increased foster placement pressures mean out of county placements continue to rise and exceed supply. These costs are disproportionate and unaffordable and exceed their available budget. Specific financial placement support is required until a new national operating model is achieved.

Existing placement and system pressures has resulted in expensive bespoke placement arrangements for children and young people. The council's own in-house provision takes time and resources with dual costs associated with funding children in placement, workforce recruitment and training. There is a significant grant funding shortfall allocated for them to meet the support costs for house service development, further compounded by current grant funding ending in 2024-25.

Significant financial pressures have been created by the allocation of 30 Unaccompanied Asylum-Seeking Children (UASC). There is no local housing or appropriate provision to support them so the council is working with the only forthcoming provider which comes with significant cost pressures. The majority of UASC are aged 16-17 and once they turn 18, the allowance significantly reduces with a sizeable funding gap between placement cost and funding. As it can take up to four years to settle asylum claims, all funding falls on social services budgets which is unsustainable for Flintshire who have a high allocation of UASC .

Previous grant funding enabled the council to invest in providing timely, intensive support to families. Complex needs and volume of demand has increased just as the grants ended and were redirected to support development of in house fostering and residential care. This has directly impacted on their capacity to respond to demand and the range of interventions that can be offered. Financial investment is needed to reflect service demand and enable the authority to provide responsive core services.

The 2023-24 Pupil Level Annual School Census (PLASC) is the first collection since the roll out of universal free school meals (FSM) in primary schools. Guidance states that learners who are only eligible for FSM under the universal free school meals policy should not be recorded as eligibility for free school meals. The 2023-24 settlement used the eligibility for free school meals data updated with a 4 year average of 2017, 2018, 2021 and 2022 excluding those transitionally protected. Flintshire carried out a data cleanse exercise and their FSM numbers went down. This resulted in increased pressures to provide transitional protections for FSM with no financial support resulting in a funding reduction. They are concerned there is an inconsistent approach across Wales which creates an inequitable outcome due to their regular refresh and updating of data. This should be paused with a review on the increased clarity on data methodology and the frequency of refresh.

The 2018-22 Highways Refurbishment grant was a much welcomed funding and its absence presents a significant challenge. Without dedicated funding, maintaining and

improving roads is becoming more difficult. Reintroducing the grant would provide much-needed relief to authorities. It would enable them to prioritise critical repairs and upgrades leading to improved road safety, reduced accidents, smoother traffic flow and decreased congestion. It would also be a strategic step towards addressing significant infrastructure challenges that place reactionary burdens on in-year revenue budgets within Councils.

Flintshire, due to bordering England, have unique council job recruitment challenges as close locations, such as Liverpool, Manchester and the Wirral are drawing prospective employees away from Wales to significantly higher paid jobs. This impacts on their available budget where they struggle to compete with their English neighbours and leads to their salary base moving upwards to match others. This is yet a further revenue budget pressure resulting in a greater proportion having to be set aside for pay to ensure their services are able to fill vacant posts or go through staff agency recruitment for business critical posts.

Welsh Local Government Association (WLGA)

The Welsh Local Government Association recognises the extremely difficult settlement given the inflationary and financial pressures along with the lack of extra money from the Autumn Statement.

Elements of the settlement and funding formula are out of date and the WLGA urge the Welsh Government to sustain the momentum to update it and the commitment in the DSG work programme.

They acknowledge Ministers have fought to secure the 3.1% (£170m) core funding and that the Welsh Government acknowledges the importance of local public services along with their shared ambitions for their communities. However there is a strong view across local government that it is not enough to protect core services and the amount will only cover a third of the pressure facing local services. This gap will be higher if the teachers' pension is not funded by the Treasury.

The settlement has a funding gap of over £430m and councils will face budget gaps and difficult choices in balancing their budgets. This includes service cuts in some of the most sensitive areas in schools and social care, and thousands of job losses. Council taxes will inevitably be higher as they struggle to bridge the funding gap and set balanced budgets amidst a cost-of-living crisis. The financial resilience of some authorities will be left hollowed out.

WLGA understands the importance of the Welsh NHS and Transport for Wales who have seen the largest increases in funding. Revenue spending allocations for core NHS services has increased by £725 million on top of existing spending plans. They support the NHS but as health and social care needs to be taken together, they fear difficult decisions being made in social services will reverberate across the wider health and social care portfolio. The £10m reduction in the Social Care and Workforce Grant will eventually impact on the NHS as well as councils as they struggle to recruit and retain the necessary workforce. They remain concerned about funding the Real Living Wage in commissioned care as the funding is clearly not there.

Though the constructive and openness during the budget process was appreciated, they ask that any additional funding found at this stage is used to protect vital local services in 2024-25. They request reversing the cuts to the Social Care and Workforce Grant and early indications are provided about the raising of the care cap and minimum income allowance. This would enable councils to take it into account in their budget setting and avoid damaging cuts. These steps would help mitigate further risks to social services and ultimately the NHS.

They welcome the continued dialogue and engagement and feel there is a strong case to restore recurrent funding for 2023-24 teachers' pay deal.

WLGA welcome the consolidation of education grants as it will reduce bureaucracy and the administrative burden. However they remain concerned about other grant funding, especially around those not yet announced.

There are a number of new legislative responsibilities and Welsh Government commitments which underlines there should be a clear commitment that new responsibilities are fully funded.

They hope there will be additional funding for Wales in the UK Government's Spring Budget which would assist in the increase in the finance settlement . They are of the clear view the recently announced £600m funding from DLUHC, is a consequential that should go directly to local government. This would contribute to the £432m funding gap where there are cuts or unfunded pressures in particular areas.

They thank Welsh Government officials for their engagement during the most challenging of times and will continue to liaise with them on the impact of budget discussions and decisions.