



Eich cyf/Your ref P-06-1320
Ein cyf/Our ref RE/00015/23

Jack Sargeant MS
Chair, Petitions Committee

petitions@senedd.wales

24 January 2023

Dear Jack,

Thank you for your letter regarding a petition you have received from Mark Fisher, requesting more funding be allocated to Neath Port Talbot County Borough Council.

As in recent years, this Government's priorities for our budget continued to be frontline public services. The local government settlement I published on 14 December set out core revenue funding for 2023-24 at £5.5 billion. This means, after adjusting for transfers, overall core funding for local government in 2023-24 will increase by 7.9% on a like-for-like basis compared to the current year. No authority will receive less than a 6.5% increase. In 2023-24, local authorities will receive £5.5bn from the Welsh Government in Revenue Support Grant (RSG) and non-domestic rates (NDR) to spend on delivering key services. Neath Port Talbot County Borough Council will receive a 7.1% increase for 2023-24.

The indicative Wales-level local authority core revenue funding allocation for 2024-25 is £5.69bn – equating to an uplift of £169m (3.1%). This figure is indicative and dependent on both our current estimates of NDR income and any 2024-25 UK budgets

In addition to this, I was able to publish information on revenue and capital grants planned for the following two years. For 2023-24, these amount to over £1.3bn for revenue and over £925m for capital. We are providing these indicative grant values now so local authorities are able to plan their budgets efficiently. As in previous years this information will be further updated in the final settlement.

In making decisions about the level of funding for local government I have responded to the need to support key front-line services. In particular I have included funding to enable authorities to continue to meet the additional costs of introducing the Real Living Wage for care workers and to support pressures in education.

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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.

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.

The draft Budget 2023-24 and provisional local government settlement 2023-24 process has been one of the toughest since devolution because of the financial pressures we are facing. I and my ministerial colleagues recognise that after a decade of austerity, Brexit and the pandemic, public services are very fragile and unable to withstand any further shocks. They must deal with soaring energy prices and inflation at a 40-year high, while demand for many public services is also rising.

While this is a relatively good Settlement for local authorities in Wales, building on improved allocations in recent years, I recognise that the rates of inflation we have experienced over the last few months and the forecasts from the OBR of continuing significant levels of inflation means that local government will still need to make difficult decisions in setting their budgets.

The UK Government has not provided Wales with adequate funding to meet the level of pressures faced by public services in Wales. Welsh Ministers have had to make some very difficult decisions during the Draft Budget process. While there was some additional funding for Wales in the Autumn Statement – £1.2bn over two years – almost half of this came from decisions made about non-domestic rates policy in England. This will not fill the big gaps in Wales' settlement over the three-year spending review period (2022-23 to 2024-25). Even after the additional funding in the Autumn Statement, our settlement is still up to £3bn lower in real terms and up to £1bn lower next year. I have continued to push the Chancellor for additional funding for key services and for energy support for both domestic and non-domestic users.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government