

Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-651
Ein cyf/Our ref JH/00582/15

William Powell AM
Chair of the Petitions Committee
Ty Hywel
Cardiff
CF99 1NA

9th December 2015

Dear William,

Thank you for your follow-up letter of 13 November, seeking my views on further comments from your petitioners, NPT Unison, about local government funding and the forthcoming Welsh Government budget.

I would agree with many of the points that your petitioner has made. Public services are essential to people in our communities, particularly the most vulnerable, and we will seek to mitigate the impact of the UK Government's reductions on public services as far as possible.

Following the Spending Review on 25 November, which set out the UK Government's spending plans for the next five years, our focus now is on managing our priorities within our settlement. While there were some small cash increases to the Welsh Budget, the reality is that we will still see a 4.5% real terms reduction in our revenue budget by 2019-20. This level of reductions is broadly the same as those in the last Spending Review.

We fully recognise the challenges facing local government and other public services as a result of the successive reductions to the Welsh Budget as a result of the UK Government's austerity plans. The Welsh Government remains firmly committed to working with local government to redesign the delivery of services, and we held a joint seminar with the WLGA on 19 November on future financial challenges.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0300 0603300
Llinell Ymholiadau Cymraeg 0300 0604400
Correspondence.Jane.Hutt@wales.gsi.gov.uk

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.

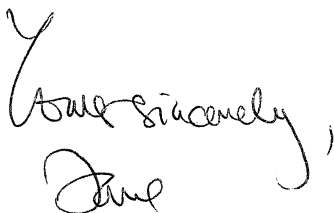
We been clear that Authorities should be preparing for reductions to the Local Government Settlement and investing in the transformation needed. Throughout this Assembly term, we have provided a degree of protection for the funding for local government in Wales, as well as the flexibility for local authorities to set their own spending priorities. Whilst the Local Government Settlement provides the largest single contribution to local government funding, it is not the only source. Local authorities will need to consider all aspects of their income and service provision in planning ahead, to put them in the best position when the provisional settlement is announced by my colleague, the Minister for Public Services, on 9 December.

Like your petitioner, I believe health and local government should not be looked at in isolation from each other, and I find it disappointing that the UK Government continues to look at NHS services in isolation. We are taking a wider approach, focused on preventative spend and the link between health and social services. The Social Services and Well Being (Wales) Act 2014 is an area of Government intervention that will have positive aspects for the integration of Health and Social Care.

The latest figures published by HM Treasury show spending per head on health in Wales was 1 per cent higher than in England in 2014-15 and grew faster in Wales in that year than in any of the other UK countries. The figures show that combined spending per head on health and social services was £172, or 7%, higher than in England. We also spent 4% more per head spend on Education than England. This is a testament to the value we place on the key public services that matter most to the people of Wales and shows we are committed to delivering a truly integrated health and social care service.

Once we have published our Draft Budget on 8 December, it will undergo substantial scrutiny by the National Assembly, and stakeholders will have further opportunities to input into our plans. As I stated in my previous letter, I would urge your petitioners to use that opportunity to further the concerns raised in this petition.

I am copying this letter to the Minister for Public Services.

A handwritten signature in black ink, appearing to read 'Jane Hutt', with a large initial 'Y' above it.

Jane Hutt AC / AM

Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business