

Local Government Settlement to help the vulnerable and protect key public services

The provisional local government settlement also includes a £1.8 million funding floor to ensure no authority has to manage a reduction of more than 1% next year.

This means, that after adjusting for transfers, core funding for local government in 2018-19 will reduce by 0.5% compared to this year.

In order to protect key public services, the 2018-19 settlement allocates an additional £62 million in 2018-19 for schools and £42 million for social services in 2018-19.

This will ensure that the Welsh Government's assumed share of core spending on schools and social services remains at the same level as 2017-18.

General capital funding for 2018-19 will also remain at £143 million.

Other key areas of the 2018-19 settlement include an additional £6 million for homelessness prevention, on top of the £6 million provided in 2017-18.

Alongside the settlement, £600,000 will be provided to support local government in bringing an end to charging for child burials. This builds on positive steps already taken by many councils in Wales and puts in place a fair and consistent approach across the country.

The indicative settlement for 2019-20 shows a reduction of 1.5% reflecting further reductions in the budget available to the Welsh Government. Key public services will continue to be protected.

In 2019-20 the funding provided by the Welsh Government will mean its assumed share of core spending on schools will rise by a further £46 million, with funding continuing to be prioritised within a tighter overall settlement.

The assumed share of core spending on social services will see a further increase in 2019-20 to £73 million reflecting – even within ever-sharper budget constraints – the Welsh Government's recognition of social care as a sector of national strategic importance.

Work also continues in bringing grants into the local government Revenue Support Grant (RSG) and combining some smaller grants. This increases the flexibility for local authorities and reduces the administrative burden associated with grant funding for both authorities and Welsh Government.

The Cabinet Secretary also today published an update on reforming wider local government finance to ensure it meets future needs.

Announcing the provisional settlement, Mark Drakeford said:

“Last year I told local authorities to prepare for the tougher times and harder choices that lay ahead as the flawed and failed policy of austerity continues to hit Wales hard.

“My priority, using a formula we have agreed with local government, is to try and protect councils from the worst of the cuts passed on to us by the UK Government. I think this is reflected in the settlement for 2018-19.

“We have acted to protect funding for key public services such as schools and social care while also recognising the pressures that exist in areas such as homelessness prevention.

“If the Chancellor of the Exchequer follows our advice and does not proceed with cuts in the Autumn Budget then my first priority will be to look again at the cuts we have been forced to make in 2019-20.

“Next year’s settlement might be difficult. We have done all we can to make it manageable. Councils must now use this time to plan ahead and ensure that funding goes to the services and people who need it the most.”