



Resourcing local services 2024-25

An outlook of the pressures faced by local services



Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association

Un Rhodfa'r Gamlas

Heol Dumballs
Caerdydd
CF10 5BF
Ffôn: 029 2046 8600

wlga.cymru

One Canal Parade

Dumballs Road
Cardiff
CF10 5BF
Tel: 029 2046 8600

wlga.wales

Welsh Local Government Association - The Voice of Welsh Councils

We are The Welsh Local Government Association (WLGA); a politically led cross-party organisation that seeks to give local government a strong voice at a national level. We represent the interests of local government and promote local democracy in Wales.

The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce

**Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association**

Un Rhodfa'r Gamlas

Heol Dumballs
Caerdydd
CF10 5BF
Ffôn: 029 2046 8600

wlga.cymru

One Canal Parade

Dumballs Road
Cardiff
CF10 5BF
Tel: 029 2046 8600

wlga.wales

Wales' councils are the **foundations of our communities**. They **protect and support** Wales' diverse communities (especially the most vulnerable), provide a democratic voice, tackle inequalities, and promote a fairer Wales through inclusive growth. They also:

- **provide vital, everyday services** from schools to housing to local transport; and
- **enhance** the local and national **economy**.

Providing vital, everyday services



470,000

pupils educated in LA
maintained schools

2022/23



142,000

pupils are newly eligible for
Universal Free School Meals

November 2023



12,500

pupils have received school
counselling

2021/22



367,000

requests for information,
advice and assistance
received by social services

2021-22



51,000

adults supported through the
provision or arrangement of
social services

31 March 2022



20,000

children supported through the
provision or arrangement of
social services

31 March 2022



982,900

tonnes of waste recycled, re-
used or composted

2021-22



1 in 5

households received help with
their council tax bill

March 2023



5,500

households prevented from
becoming homeless

2022-23

Enhancing the local and national economy



Employing over **9%** of the
Welsh workforce

2021-22



Spending **£4.6 billion** on
local and national goods and
services

2021-22

How do councils do this?

Funding local service delivery



£5.5bn

revenue support from
Welsh Government
2023-24 (settlement)



£2.1bn

to be collected from
council tax
2023-24 (budget)



£2.1bn

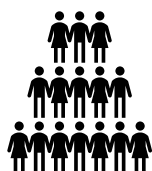
from specific grants
2023-24 (budget)



£2.2bn

infrastructure (capital)
spending
2023-24 (forecast)

Enabling local service delivery



128,000

employees
2021-22



27,000

Teachers



73%

female



48%

work part time



101,000

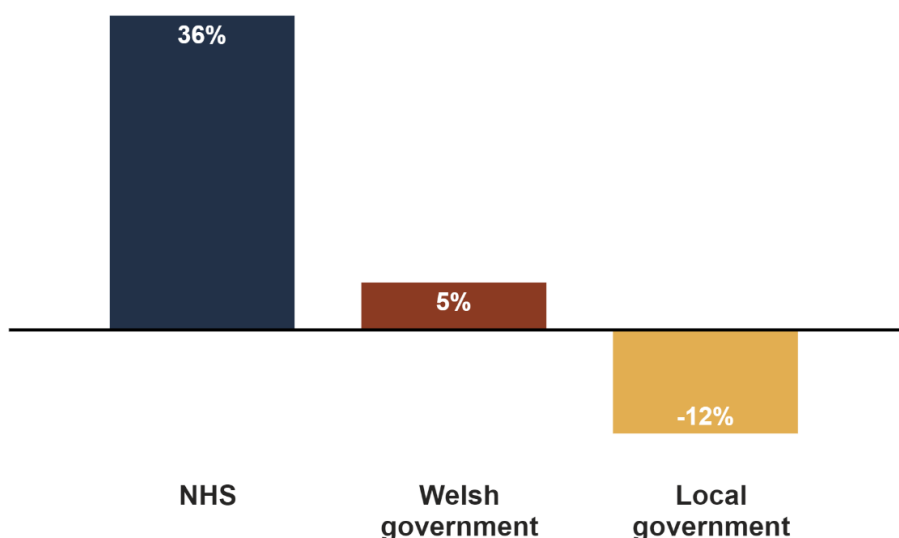
staff (excl. teachers)

2021-22

A backdrop of austerity and the pandemic

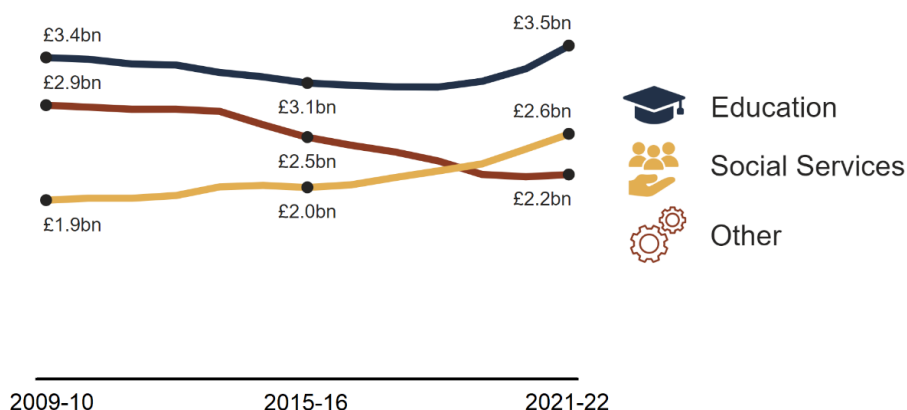
Local council services bore the brunt of austerity and didn't recover; local government funding (AEF less transfers) has reduced by 12% after adjusting for inflation. Excluding funding for social care, local government funding has fallen by 32%. In contrast, funding to NHS budgets has increased over the same period.

Change in funding between 2009-10 and 2023-24, adjusted for inflation



Source: Welsh Government

Trends in local council service¹ spending, 2009-10 to 2021-22, adjusted for inflation

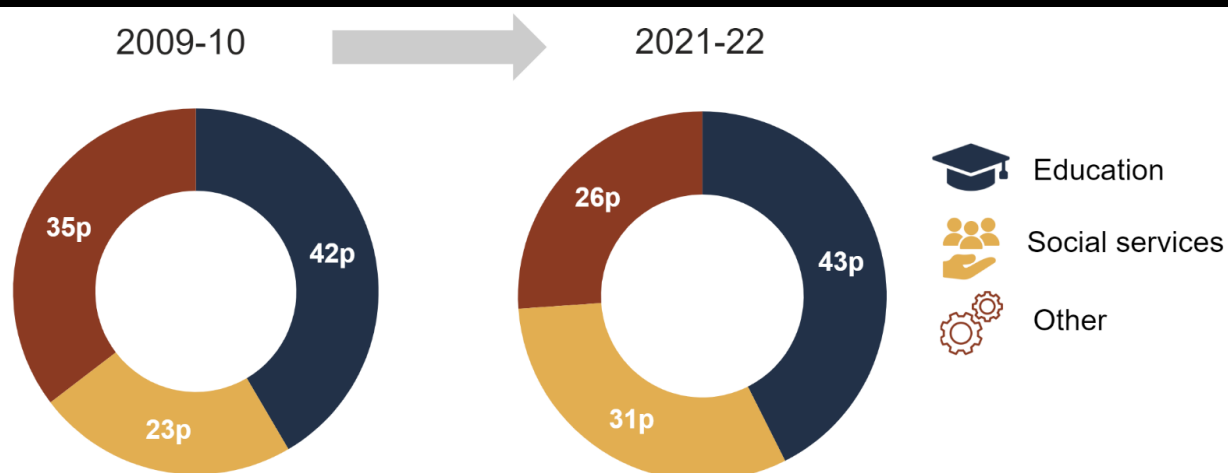


Adjusted for inflation, spend on education and social services has risen in recent years. As a result, these two services represent a significant share of local councils' budgets. Conversely, spend on most other services has reduced. In 2009-10, education and social services accounted for 65p of every £1 local councils spent. By 2020-21, this had increased to 74p of every £1 spent.

Source: Revenue outturn expenditure data, Welsh Government

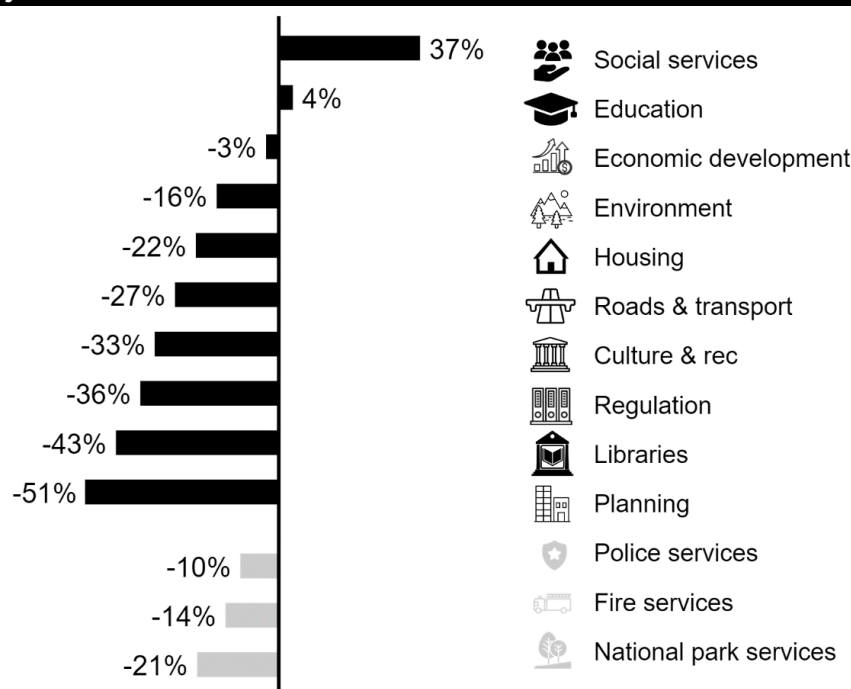
¹ 'Other' includes, for example, services relating to the environment, housing, roads and transport and culture and recreation.

How £1 of local council funding is spent , 2009-10 to 2020-21, adjusted for inflation



Source: Revenue outturn expenditure data, Welsh Government

Percentage change in spending by service, 2009-10 to 2021-22, adjusted for inflation²



Source: Revenue outturn expenditure data, Welsh Government

Although schools and social care have been relatively protected, it has not been enough to keep up with demand.

Other local services, those services that are most visible and valued by our communities, have been devastated. Over a decade of cuts has seen the loss of assets, facilities and services that have been a core part of communities for generations. Once such assets and services are lost, they are unlikely ever to be replaced.

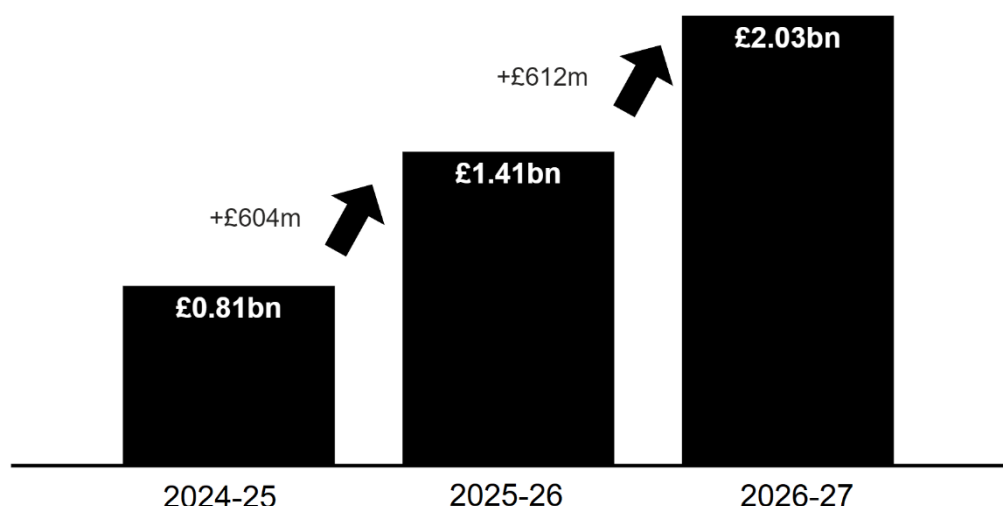
The biggest impact on health and wellbeing is in addressing the wider determinants of health. Council services are essential in this, playing a central role in supporting people's wellbeing, as well as reducing demand on the NHS, through a wide range of preventative services such as leisure centres, parks, adult education, youth work and community facilities linking across to social care.

² No data was available for the Economic Development category prior to 2011/12. Therefore, for this category the percentage change was calculated between 2011/12 and 2021/22.

What do local services need over the next 3 years

Public services are under pressure, but local services are particularly so. Just to stand still on providing current services with additional anticipated demand, councils would need a revenue increase of £809m (11% of net spend³) in 2024-25 and over £600m in each of the two subsequent years. Inflation and demand pressures are putting immense pressure on budgets in the medium-term.

Projected cumulative budget deficits, 2024-25 to 2026-27



Source: WLGA Finance Sub-group report

³ Total net revenue expenditure is budgeted at £7.373bn in 2023-24 (Source: Welsh Government RA Returns)

What services need from the 2024-25 Budget

During the pandemic, the cuts of the last decade became apparent, but additional funding helped considerably. In the longer term, local services need sustainable, fair and flexible funding which will also help with preventative services to ease pressure on the NHS – councils need greater fiscal autonomy and flexibility to respond to local needs and priorities:

Revenue & Capital

- ✓ No further cuts to funding
- ✓ Proper investment in and protection of the local government workforce and funding for the Real Living Wage
- ✓ Additional investment in Social Care and Education to recognise pressures
- ✓ A sustainable rent policy for social housing
- ✓ Increased capital funding to return it pre-austerity levels
- ✓ Funding to significantly increase the supply of affordable and social housing

A better funding framework

- ✓ Continued multi-year budget settlements
- ✓ Greater accountability for health budgets
- ✓ Greater flexibility around grant schemes consolidated or incorporated into the RSG
- ✓ New responsibilities to be fully funded
- ✓ A sustainable approach to the future funding of social care
- ✓ No council tax capping
- ✓ Reduced bureaucracy
- ✓ Reform of local taxation
- ✓ Powers to introduce discretionary taxation.

Longer Term and Future Generations

We know we cannot keep storing up problems for future generations. Over the long term, linking in with the overall Welsh Government budget process, we must prioritise and invest in those services that prevent negative outcomes in the future and contribute most to sustainable economic growth.

This is a requirement under the Well-being of Future Generations (Wales) Act 2015. Our collective priorities for our communities should align with the goals of that Act. In pursuing them it is important that time is invested at inception to identify the most sustainable way forward. That means early involvement of stakeholders and collaboration with appropriate partners. It also means developing integrated approaches designed to deliver the best 'whole life' outcomes and counter any negative trends. Mitigating climate change impacts and adapting to changes we are already experiencing, and can expect to see with increased frequency, are vitally important in this respect. The funding framework should support this.

ⁱ Some charts have had the effect of inflation removed, allowing for more meaningful comparisons over time. We have used inflation figures as published in September 2022 when standardising data in this way.