

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
Ein cyf/Our ref JH/00430/15

William Powell AM
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31 August 2015

Dear William,

New Petition P-04-651 - To Protect Local Government When Determining Budgets this Autumn

Thank you for your letter of 12 August which asks for my views on a petition from NPT Unison about local government funding and the forthcoming Welsh Government budget.

The petitioner is right to point to the importance of public services, which are essential to many people's well-being and the sustainability of our communities. Welsh Government will work to support public services through the budget plans which I will set out later this year. The financial context within which the Welsh Government makes its budget decisions does, however, remain challenging. As a consequence of UK Government decisions, the Welsh Government Budget is now around 8% lower in real terms than it was in 2010-11. The Chancellor of the Exchequer has already made it clear that the forthcoming Comprehensive Spending Review will result in further reductions to public expenditure across the UK. In these circumstances it is not possible for the Welsh Government to maintain all its existing expenditure.


Despite this, the Welsh Government has sought to protect public services wherever possible. For example, since 2011 spending on schools has been protected at 1% above the overall Welsh Government's settlement, an additional £10m was set aside for social services in the Final Budget 2015-16, and significant additional resources have been put into the Welsh National Health Service. Despite the reductions made at a UK level, local government in Wales has received a degree of relative protection in Welsh Government

budget allocations. Neath Port Talbot Council received the smallest decrease in its settlement out of all twenty two Local Authorities in Wales for 2015-16.

Even though local government in Wales have been cushioned relative to their counterparts in England, the financial climate is such that the sector will need will to continue to innovate and adapt to a significant degree. In my recent Budget Tour I discussed with front-line public service staff, including many from local government, what we can do together to mitigate the cuts being passed to us by the UK Government.

The Budget Tour gives people and organisations the opportunity to express their views while we are formulating our plans. Once the Welsh Government has published its budget proposals for the coming period, there will be an opportunity for rigorous scrutiny through a number of channels. I intend to make an Oral Statement in the Senedd following the publication of the Draft Budget, and I will attend the National Assembly's Finance Committee during the period of scrutiny of the Draft Budget. Similarly my Ministerial colleagues will attend other National Assembly subject committees to discuss portfolio specific budget plans. In the case of local government, the Minister for Public Services will provide evidence to the Communities, Equality and Local Government Committee. As part of their scrutiny work, each subject committee is able to take evidence from a range of sources including from Trades Unions, and that may be an appropriate means of channelling the concerns raised in this petition.

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

Best wishes,


Jane Hutt AC / AM

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