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Date/Dyddiad: 26 January 2016
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Jocelyn Davies AM
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Dear Jocelyn

Evidence Session 14 January: Welsh Government Budget Proposals 2016-17

Thank you for the invitation to myself, Councillor Huw David and Jon Rae to give evidence to the Finance Committee on the 14 January.

We look forward to seeing a copy of the final report of the Committee on the Welsh Government Budget Proposals. In the meantime I would like to confirm that we are content with the transcript and provide the additional information requested by Committee Members during the course of the evidence session.

Homelessness Legislation

You asked for an additional note to clear up issues around the funding for homelessness legislation linked to the question asked by Julie Morgan. During the course of questioning you asked whether the additional funding was recurrent or not. As you know the legislation came into effect in 2015 and £5m was made available during 2015-16 to support the implementation of it. The additional £2.2m is transitional funding and is one-off. The uses to which it can be put are set out in a Framework Agreement, the main points of which are reproduced in annex I.

Funding Flexibilities

Christine Chapman asked about funding flexibilities in the context of specific grants but we did not have figures to hand on the levels of hypothecated funding in the past. During discussion we welcomed the specific grants that were being transferred into the settlement and in the paper that the Minister for Public Services has submitted to the Communities, Equalities and Local Government Committee¹ there's a figure of £190m that is mentioned as the amount of specific grants

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¹ [CELG\(4\)-01-16 Papur 1 / Paper 1](#)

that have been transferred into the settlement since 2010, over which we have no quibble.

However as fast as specific grants are being rolled in the settlement, they are being created elsewhere, across the Welsh Government. We don't yet have the full picture for 2016-17, but what is clear from past settlement data is that specific grant funding grew from £688m to £916m between 2009-10 and 2015-16, rising as a proportion of total funding from 15% to 19%². It is difficult to construe these figures as increasing flexibility for local government.

The impact of austerity so far

Later in the session, Alan Ffred Jones asked about the impact that austerity has had on services other than education and social services. Whilst we didn't want to get subsumed by hyperbole, a political blame-game or name-calling during the evidence session, I do not want to give the impression that there have been no cuts or service reductions. This was summarised in Figure 1 of our written evidence where the extent of inflation-adjusted spending reductions are set out in stark terms. Clearly some of our services are being hollowed out by austerity; spending levels for some services are back to those that existed in the early 2000s. As we mentioned in the evidence session, you can find a little more detail in the WAO publication: *A Picture of Public Services*³. Furthermore, a useful comparison with England is set out in the recently published PPIW Report: *Budget cuts in England*⁴. The continuing impact of funding reductions in 'unprotected' are set out in annex II.

One final issue to which I would like to draw to your attention is the data in Table 1 in our written submission that summarises information from the Office for Budget Responsibility (OBR) on local government funding and spending across Wales, England and Scotland. We have queried the accuracy of the data with the OBR who have indicated that there are issues with it and I wanted to bring this to the attention of Committee Members.

I hope this additional information is useful to your evidence gathering.

Yours sincerely



Councillor Anthony Hunt (Torfaen)
WLGA Deputy Spokesperson for Finance & Resources

² Ignores the effects of large transfers of function such as the Council Tax Reduction Scheme.

³ [Picture of Public Services](#) - see page 34, figure 15.

⁴ [Coping with the Cuts](#) - see page 6, figure 1.

Additional notes of Homelessness Legislation

While recognising that local circumstances vary, and that each local authority will have reached a different stage in its development of a more prevention-focussed approach, the following describes the functions, activities and other purposes to which the funding can be put in support of implementing the new legislation:

- Additional members of staff that are taken on specifically to help deliver services and action as part of implementing the new legislation
- Existing members of staff but only if (i) they are not permanent staff (ii) the costs are those to extend their temporary contract of employment for them to work directly on implementing the new legislation
- Revenue costs associated with IT software (and software development) concerned with processing and monitoring applications for assistance in obtaining or retaining accommodation and matching applicants to suitable properties;
- Cost of training staff relevant to effective homelessness services;
- Cost of training staff to develop the PRS (including training staff to undertake environmental assessments);
- Feasibility pilots to assist transition to new legislation
- Publicity material/information; and
- Enhancement of the following services to increase capacity (including utilising third parties):
 - Housing Options Advisors;
 - Services to resolve disputes between different parties, such as mediation and conciliation;
 - Financial payments from a homelessness prevention fund;
 - Specialist advice on welfare/benefit rights and debt/money advice, including access to independent advice;
 - Independent housing advice;
 - Joint working between local authorities and RSLs to prevent homelessness;
 - Joint approaches with other services such as Social Care, Children's Services and Health;
 - Domestic abuse services, including target hardening;

- Crisis intervention, including supporting Welsh Government policies on collecting information on rough sleeping in Wales;
- Supplementing local Discretionary Housing Payments (DHPs)
- schemes and/or participation in Pan Wales DHP project that aims to share best practice and examines the potential for the implementation of a single DHP scheme;
- Employment and training options advice;
- Housing/Tenancy support;
- Specialist welfare services for armed forces personnel/veterans;
- Action to resolve anti-social behaviour;
- Working in prisons prior to release in order to prevent homelessness, including specialist services for prisoners to determine vulnerability and capacity;
- Options to facilitate access to the Private Rented Sector (PRS);
- Options to facilitate access to social housing;
- Action to intervene with mortgage arrears;
- Access to supported housing, including development of 'gateway' systems, single point of contact, etc;
- Arranging accommodation with relatives and friends; and
- Sourcing options for the accommodation of vulnerable people.

Typical initiatives being pursued by councils in medium term financial plans

Corporate Support Services

Workforce

- Pay Freeze for 4 years for all staff. Ongoing for senior staff
- Members allowances cut across a range of councils
- Senior management reviews/downsizing/delaying see Flintshire and Denbighshire examples
<http://www.dailypost.co.uk/news/north-wales-news/flintshire-council-eight-senior-managers-6885119>
<https://www.denbighshire.gov.uk/en/your-council/consultations/cutting-our-cloth-briefing-en.pdf>
- Removal of temporary posts/seasonal staff/agency staff
- Early retirement schemes and movement to statutory minimums
- Overtime reduction,
- Car allowances cut to HMRC minimum
- Retraining and secondment
- Improvements in sickness management

Estates

- Increased agile working
- Increase potential for property rentals
- Reduced buildings maintenance
- More energy efficiency initiatives

Other

- "Invest To Save" capital projects
- New arrangements for travel expenses, fleet & hire car etc
- External translations costs
- Corporate Health and Safety unit reduction
- Moves to electronic office/meetings
- Third party grants reductions
- Review ICT licensing and support
- Increase to fees and charges for services
- Review/Relocate Reprographic Services
- Review Internal Audit structure
- Payroll and HR integration
- Merge debt recovery services
- Moves to self-insurance
- Sharing or in some cases internalising legal services
- Reduce/merge democratic services support
- Review and rationalisation of telephony/comms

Education

- Rationalisation of primary schools
- Reductions in early years provision
- Consolidation of post-16 education
- Regional approach to Governor support
- Review School Taxi provision for SEN, and 16 Plus Transport

- Reductions to Youth Services
- Reduce playschemes, music services, orchestra, achievement awards, etc
- Increase pupil ratios to average
- Increase School meal charges

Social Care & Protection

- Day centre closures see RCT example – <http://www.walesonline.co.uk/news/local-news/rct-cuts-we-fear-future-6507527>
- Reductions to adoption and foster allowances, revert to national rates
- More effective and accelerated long-term placement decisions to ensure permanency
- Review Special Guardianship Order arrangements
- Review future provision of Council run Residential Care Homes
- Review of domiciliary care provision
- Transfers to independent sector
- Prioritising Enablement services
- Revised assessment framework/better targeting
- Reductions in respite care
- Better signposting
- Expansion of telecare
- Charging and self-funding for some support services
- Cutting back on Meals on Wheels and increasing prices See Cardiff example <http://www.walesonline.co.uk/news/cardiff-council-approves-50m-worth-6755799>

Libraries & Culture

- Range of library closures see link <http://www.voicesfortheibrary.org.uk/closures-map/>
<http://www.theguardian.com/books/2013/jul/12/library-campaigners-1000-closures-2016>
- Implement outcomes of the Leisure Services reviews including transferring to new delivery organisations in Denbighshire, Torfaen, NPT, Bridgend, Blaenau Gwent and others
- Review library service and consider scope for alternative service delivery.
- Variation of opening hours of County Museums
- Reduce provision of Tourist Information Centres

Regulatory

- Review Pest Control service including charging policy
- Realignment of Public Protection and Regulatory Services

Environmental

- Renegotiate private sector waste collection and processing contracts
- Charging for example bulky waste, green waste
- Review provision of Children's Playgrounds
- Review lease provision of public conveniences on third party land
- Review service delivery model for the provision of flower beds
- Reprioritisation of spend around coastal protection, remedial earthworks and flood defence/land drainage

- Street lights hours reduced – part time night hours across Wales
<http://www.walesonline.co.uk/news/local-news/vale-glamorgan-street-lights-cuts-7995457>

Transport

- Cut highway spend including cleansing, sweeping, maintenance, pre-salting, verges and surface works
- Introduction or increases in car parking charges
- Nearly 100 subsidised bus routes cut in Wales in 2011-14
<http://www.bbc.co.uk/news/uk-wales-26262972>
- Free school bus services cut
<http://www.walesonline.co.uk/news/wales-news/cut-backs-free-school-buses-7858414>
- Review and rationalisation of school crossing patrol provision

Planning and Development

- Collaborative opportunities for strategic housing and planning services