

## Appendix 1 – Response to Welsh Government on the Provisional Settlement

Simon Edwards  
Local Government Funding and  
Performance Branch,  
Welsh Government,  
Cathays Park,  
Cardiff.  
CF10 3NQ

Your Ref/Eich Cyf:  
Our Ref/Ein Cyf:  
Date/Dyddiad:  
File Ref:  
The Person dealing with  
this matter is/ Y  
Person sy'n delio gyda'r  
mater yma yw:  
Tel/Ffôn: 01633 644270  
Fax/Ffacs: 01633 644260  
e-mail address/ cyfeiriad  
e-bost Monmouthshire.gov.uk

Dear Mr Edwards,

### Re: Provisional Local Government Settlement 2017/7

Thank you for the opportunity to comment on the Provisional Settlement announced recently. This response has been endorsed by Monmouthshire County Council's Cabinet and provides the views of members.

Obviously, the All-Wales provisional settlement announcement is better than expected, coming as it does, after the reductions that Councils have experienced in recent years. The Council is very conscious of the pressures on household budgets and so the Council is doing its utmost to deliver a balanced budget but this will inevitably put pressure on Council Tax rises.

When comparing like for like, Monmouthshire's settlement is a slight reduction of 0.12%. The provisional settlement has done nothing to alleviate our position as the worst funded Council in Wales per head of population. In addition, looking forward to 2018/19 and beyond, the prospect of continuing austerity remains and is set against very real pressures in already stretched services. The provision of indicative settlements for the next three years would help Councils in planning for the future through these very difficult times.

As a rural authority we fully support the introduction of the effect of sparsity into the formula and would have liked to have seen the full effect implemented for 2017/18 rather than phased over 2 years. We also welcome the commitment to providing a funding floor to mitigate any volatility.

Monmouthshire notes some recognition of the growing pressures which social services face but this is some considerable way short of the actual pressures being faced. However in a reducing resource envelop there is a need to distinguish between protecting services and protecting budgets. Every service area needs to be looked at and ways of improving efficiency and effectiveness implemented which enables budgets in social care to be contained whilst still providing priority outcomes.

Monmouthshire supports and encourages the transfer of specific grants into the settlement and is disappointed that more progress has not been made in this regard.

If there are opportunities to put more grants into the final settlement this would be welcomed providing it continues to be distributed on the same basis as the original grant to prevent large changes at a very late stage in the process.

On capital account, the settlement does not address the previous reductions in capital funding and is still therefore a serious concern, especially as it comes at a time when councils are struggling to raise capital receipts from asset sales. The need to invest in priority areas such as 21<sup>st</sup> Century Schools, waste management, carbon reduction and infrastructure remains high, with WG support remaining a critical success factor.

Despite the fact that the reasons for the level of the provisional settlement are both known and understood, it is difficult to reconcile the revenue and capital settlements with the increasing expectations and demands on local council services are continuing to grow. Councils will face difficult decisions in reconciling budgets next year and in the medium term and it is important that the WG recognises the need for difficult decisions, is supportive of local authorities facing difficult times and does not promote undeliverable policy expectations. This is a time for us all to work together to minimise the consequences of the downturn in public finances on the most vulnerable in society and to send clear and consistent expectations to the public we exist to serve.

**Yours sincerely,**

**Councillor Philip Murphy – Cabinet Member**

