



Gan Gadeirydd Bwrdd Arweinyddiaeth
Rhanbarthol Gogledd Cymru,
Swyddfa'r Arweinydd Cadeirydd
Cyngor Bwrdeistref Siriol Wrecsam,
Neuadd y Dref,
Wrecsam,
LL11 1AY

From the Chair of the North Wales
Regional Leadership Board,
Office of the Leader
Wrexham County Borough Council
Guildhall,
Wrexham,
LL11 1AY

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Date: 17th November 2021

Rebecca Evans MS,
Minister for Finance and Local Government/
Email/Ebost: Correspondence.Rebecca.Evans@gov.wales
Welsh Government, 5th Floor, Ty Hywel, Cardiff Bay, Cardiff, CF10 3NQ

Dear Minister,

Local Government Settlement 2022/23

As a region, the six councils in North Wales have continued to work collectively to enhance the evidential case for the level of funding required to deliver balanced budgets that maintain service levels next financial year. Each council continues to develop and refine its medium-term financial plans in line with its own budget processes. As part of these processes, details have been shared to produce an updated collective position, with the aim of informing and supporting the Welsh Government in its considerations before finalising budgets for 2022/23.

When we wrote to you in September, we outlined that our regional analysis showed an annual uplift in AEF (Aggregate External Finance) of 6% was required across the six councils. However, we also reported that 6% was calculated before the impact of increases to employer National Insurance Contributions were accounted for and that we expected that to increase the AEF settlement required to 7%.

We have recently updated our position and can confirm that to avoid damaging cuts to local services, the minimum requirement is now an un-hypothecated increase of 7% but with further risks to be factored into the final position. These include:

- Continuing pressures in adult and child social care provision – including higher than planned fee increases to care providers
- Significant pay and energy price inflation
- Fire & Rescue levy likely to increase substantially above forecast levels





All six councils have relied upon the Welsh Government's Hardship Fund to support critical services and communities in the current financial year, including significant provision within social care and homelessness services. We believe the withdrawal of the Hardship Funding for those services currently supported will have a devastating 'cliff-edge' impact on communities as the need for the services supported through the Hardship Fund will not end on 31st March 2022. We would therefore request that the Hardship Fund continues next year or is added, transparently, as an additional pressure, to the AEF settlement to local government.

The Barnett Consequentials from the recent UK Budget & Spending Review provide a significant increase to the funds available to the Welsh Government over the next three years and so present a real opportunity to address the substantial pressures across social care and wider local government services. We hope that this opportunity is not lost.

Finally, we have, for several years, collectively sought a more stable platform upon which to build our financial strategies. We are hopeful that the multi-year nature of the recent UK Government Spending Review provides the opportunity to issue councils with a meaningful indication of future years' funding from Welsh Government.

Yours faithfully,

Councillor Mark Pritchard,
Chair, North Wales Regional Leadership
Board and Leader Wrexham County
Borough Council

Cynghorydd Linos Medi Huws,
Vice Chair, North Wales Regional
Leadership Board a Arweinydd, Cyngor
Sir Ynys Mon

Councillor Huw Evan OBE,
Leader, Denbighshire County Council

Cynghorydd Dyfrig Siencyn,
Arweinydd, Cyngor Gwynedd





Councillor Ian B. Roberts,
Leader, Flintshire County Council

Councillor Charlie McCoubrey,
Leader, Conwy County Borough
Council



CYNGOR SIR
YNYSS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL



CYNGOR
Sir Ddinbych
Denbighshire
COUNTY COUNCIL

