

Councillor/Cynghorydd Ian Roberts
Leader of the Council
Arweinydd Cyngor



Mark Drakeford AM, First Minister
Rebecca Evans AM, Minister for Finance &
Trefnydd
Julie James AM, Minister for Housing & Local
Government

Your Ref/Eich Cyl

Our Ref/Ein Cyf

Date/Dyddiad 8 October 2019

Ask for/Gofynner am Ian Roberts

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Dear First Minister and Fellow Ministers

Local Government Settlement 2020/21

It is timely, and imperative, that we re-make the case for an improved financial settlement for Flintshire alongside the case made by the Welsh Local Government Association (WLGA) for the family of local authorities.

We appreciate that following the Chancellor's Spending Review, and pending the completion of the Parliamentary process on the national budget, you are giving positive consideration to a much-improved Local Government Settlement for 2020/21. We value the renewed relationship between Welsh Government and local government of recent times, and have comfort that you empathise with our position and share our values to protect and grow local public services.

Flintshire has engaged with Welsh Government to make our case over a series of budget-setting years. We still contend that as a low-funded council per capita under the Local Government Funding Formula we are more exposed than most to the impacts of a decade of reductive national budgets. The evidence is there. Having innovated, restructured and streamlined, and removed 30-45% of each service portfolio budget except the budgets delegated to schools and those for commissioned social care services - to achieve a cumulative efficiencies target approaching £100M in the quest to survive - there is nothing of any scale left. We have a strong and proud track record. Rather than rehearse past arguments, and lay out pages of examples and statistics, we simply request that Welsh Government supports in full the case made by the WLGA. In doing so you will guarantee the immediate future of Flintshire. The debate about the Formula, and its datedness and fairness, can wait for another day.

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We welcome correspondence in Welsh. We will respond to correspondence received in Welsh without delay.

Rydym yn croesawu gohebiaeth Gymraeg. Ymatebwn yn ddi-odded i ohebiaeth a dderbynnir drwy gyfrwng y Gymraeg.

This is an appeal for constructive engagement between two mutually dependent partners. 'No megaphone diplomacy' or front-page newspaper headlines involved.

Our situation is desperate. Our original budget forecast for 2020/21 showed a requirement to find a further £13.5M of efficiencies and income. This has now increased to £16M with the principal cause being a sudden rise in demand for 'Out of County' and Looked After Children's Services, both educational and social care. Our final push on corporate and service efficiencies and income generation, combined with a moderate Council Tax increase in the region of 5% (£3.5M equivalent) could amass a contribution of £7-7.5M. This is well under half of another daunting annual savings target. After years of survival we are now beaten by the challenge, and have no option but to appeal for an overdue improvement in the Settlement. We have made all of the hard decisions, with the latest being the introduction of charging for post-16 education transport and a review of the frequency of residual waste collection, and have applied commercial thinking to all our fees and charges whilst making sure that charges remain fair and affordable.

In summary, we need the Local Government Settlement to meet in full the annual pay awards for both NJC employees and teachers, make provision for indexation for commissioned social services and goods and services more generally, make allowances for the rising costs of demand-led services such as Out of County specialist support, and include provision for the full costs of implementing Welsh Government legislation at a local level.

We stand behind the case of the WLGA that an uplift of around £250M is required with the balance of 15% of the teacher pension employment costs falling on Wales to also be netted off within the Welsh Government budget. In reality, we need an increase in our formula allocation of a minimum £10M to (1) close the forecast budget gap in 2020/21, which is increasing and (2) make a contribution to replenish our reserves which are now at a dangerously low level. £10M is equal to a Council Tax rise of around 14.5%. It would be untenable to propose a Council Tax rise of 19.5% (5% assumed + 14.5%) to save our budget.

If the Settlement for Flintshire does not rise to this level, we will be in the highly vulnerable position of being unable to set a safe and balanced budget for next year. We have risk-assessed thoroughly all services and most have a current assessment of 'amber' on capacity and resources, with schools being assessed as 'red'. We are not able or prepared to operate services unsafely. In the event of being unable to balance our budget safely we would have no option but to call upon the Welsh Government to make a financial intervention.

The Wales Audit Office agree that we are well governed and financially managed as a public body. This crisis is not one caused by local failure or inaction. Insufficient funding is the root cause. The solution is self-evident.

We would request an early indication of the Welsh Government position – well ahead of the November budget – to give us hope and confidence.

We would also request that Welsh Government makes strategic use of any projected underspends in-year to support local authorities to cope with the rise in demand for Out of County and other high-cost specialist services across Wales, and to provide investment in local and sub-regional public service solutions to intervene in a national sellers' market.

We would welcome a private discussion with you over our case for support. We believe that we share the same values, and are resting on your judgement to make the best use of the uplift in the Welsh revenue budget to support the collective case for local government.

Yours sincerely



Councillor Ian Roberts
Leader and Cabinet Member for Education



Councillor Glyn Banks
Cabinet Member for Finance



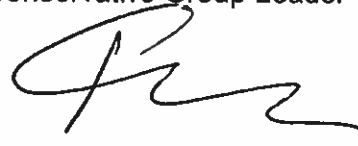
Councillor Mike Peers
Independent Alliance Group Leader



Councillor Clive Carver
Conservative Group Leader



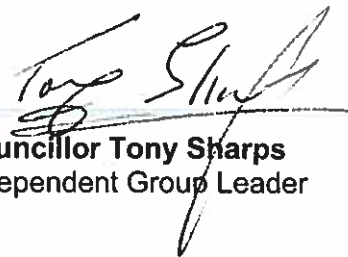
Councillor Chris Dolphin
Liberal Democrat Group Leader



Councillor Patrick Heesom
New Independents Group Leader



Councillor Bernie Attridge
Flintshire Independents Group Leader



Councillor Tony Sharps
Independent Group Leader

Cc Chris Llewelyn, Chief Executive, WLGA
Jon Rae, Director of Resources, WLGA

