

# CABINET

4<sup>TH</sup> NOVEMBER 2024

## NOTICE OF MOTION – LOCAL GOVERNMENT FUNDING

Purpose: To consider the Notice of Motion referred to Cabinet by County Council on the 9<sup>th</sup> October 2024

### KEY DECISIONS REQUIRED:

**To agree on the progress of the Notice referred to Cabinet by County Council:–**

‘Chancellor urged to put local council funding back on a firm foundation

Carmarthenshire County Council congratulates the Rt Hon Rachel Reeves MP on becoming the first woman to be appointed as Chancellor of the Exchequer in the UK Government.

We can empathise with her on taking on this challenging role as local councils who’ve had to cope with a disproportionate share of spending cuts during 14 years of ruthless Conservative Govt austerity. Carmarthenshire CC alone, due to chronic government under-funding, is now £120m worse off, in real terms, than we were a decade ago.

This is an extremely worrying time for all councils and their staff, with many now teetering on the brink of financial disaster. UNISON general secretary Christina McAnea has warned that “countless essential services and very many vital jobs are at risk, with terrible consequences for communities across Britain.”

We urge the Chancellor in her forthcoming autumn budget to put local government funding back on a sustainable foundation, by drawing on the £10b available due to the Bank of England’s decision to slow down the pace of its quantitative tightening programme.

Urgent extra revenue funding (via the Barnett Formula for Wales) is needed for such essential services as:

**Social Care** – for a population which includes an increasing percentage of older people who need residential and community care.

**Children’s Services** – facing unprecedented demand and critical financial pressures.

**Schools** – struggling, or failing, to live within allocated budgets, resulting in impact on staffing levels and curriculum delivery.

**Highways** – deteriorating following a decade’s year-on-year cuts in maintenance budgets, as evidenced by the increasing number of potholes on our roads.

We further urge the Chancellor to provide for inflationary pressures on local government budgets, and to ensure that pay settlements which are set centrally should be fully funded by central government.’

**Reasons:** Notice of Motion referred to Cabinet by County Council.

**CABINET MEMBER PORTFOLIO HOLDER: -**  
Cllr Alun Lenny. Cabinet Member for Resources

|   |  |                                   |
|---|--|-----------------------------------|
| <b>Name of Head of Service:</b><br>Randal Hemingway | <b>Designations:</b><br>Head of Financial Services | RHemingway@carmarthenshire.gov.uk |
| <b>Report Author:</b><br>Llinos Jenkins             | Cabinet Support Officer                            | llsjenkins@carmarthenshire.gov.uk |

# EXECUTIVE SUMMARY

## CABINET 4<sup>TH</sup> NOVEMBER 2024

### NOTICE OF MOTION – LOCAL GOVERNMENT FUNDING

Following the Notice of Motion passed to Cabinet by Council on the 9<sup>th</sup> of October, and understanding the importance of timing, the Cabinet Member for Resources has already written to the Rt Hon Rachel Reeves MP, Chancellor of the Exchequer outlining the points raised within the Notice of Motion.

A copy of the letter sent to the Chancellor of the Exchequer is attached to this report.

|                           |     |
|---------------------------|-----|
| DETAILED REPORT ATTACHED? | NO. |
|---------------------------|-----|

## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Randal Hemingway

Head of Financial Services

| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
|---|-------|---------|-----|------------------------|-----------------------|-----------------|
| NO                                      | NO    | YES     | NO  | NO                     | NO                    | NO              |

### Finance

The largest area of Local Authority Funding comes from Welsh Government, accounting for c. 74% of Carmarthenshire County Council's net revenue budget in 2024/25. The size of the Welsh Government budget is primarily determined by spending decisions made in Westminster on devolved functions such as health and education, which affect Welsh Government funding through the Barnett Formula mechanism.

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Randall Hemingway

Head of Financial Services

1. **Scrutiny Committee** Not applicable
2. **Local Member(s)** Not applicable
3. **Community / Town Council** Not applicable
4. **Relevant Partners** Not applicable
5. **Staff Side Representatives and other Organisations** Not applicable

**CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED:- YES**

**Section 100D Local Government Act, 1972 – Access to Information  
List of Background Papers used in the preparation of this report:**

| Title of Document   | File Ref No. | Locations that the papers are available for public inspection |
|---|--------------|---|
| Minutes of the County Council meeting held 9 <sup>th</sup> October 2024 |              | <a href="#">Minute 10.2</a>                                   |