



Ein cyf/Our ref

To:
Leaders of County and County Borough Councils in Wales

Copied to:
Chief Executives and Directors of Finance, County and County Borough Councils in Wales
Chief Executive and Director of Finance, Welsh Local Government Association

7 February 2024

Dear Colleagues,

On 24 January, the UK Government announced it would increase funding to local authorities in England by £600m. I am expecting a consequential allocation for Wales of around £25m for 2024-25 will be confirmed at the UK Spring Budget on 6 March.

Given the difficult choices I know you are all facing as part of your budget processes, I wanted to write to you following Cabinet discussions about the allocation of this funding.

As part of addressing the challenges we faced in the Draft Budget, the Minister for Health and Social Services reduced the social care workforce grant by £10.6m – from £45m to £35m. This was not an easy decision, particularly given the challenges facing social care. Leaders have expressed concern at this and it has also been a theme in the Senedd scrutiny sessions on the Draft Budget. I am pleased that I can reverse this and return the grant to £45m for 2024-25.

The remaining £14.4m will be allocated to the revenue support grant in 2024-25 to support pressures in both social care and education, including teachers' pay, as local need dictates. This supports one of our key principles in developing the 2024-25 Draft Budget: to protect core public services as far as possible. The original funding floor remains and the increased funding in the settlement now means no individual authority has an increase lower than 2.3%.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

This funding will be formally allocated at our Final Budget on 27 February and will form part of the Final Local Government Settlement.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca". The script is cursive and fluid.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

