



HOUSE OF COMMONS

Rt. Hon. Sajid Javid MP
Chancellor
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

LONDON SW1A 0AA Our Ref:

SNK/CM

04 October 2019

Dear Sajid,

Re: Local Government Funding

For the last two years I've written to your predecessor about the precarious position of local government finances and how this is being felt at Neath Port Talbot County Borough Council after nine years of austerity.

Nearly a decade of slashed funding has seen local government budgets decimated with councils forced to make unpalatable decisions due to swingeing cuts, and all this against a backdrop of unprecedented pressures and increased demands on local government.

Since 2010 Neath Port Talbot Council has removed over £80million from its budget and is looking at removing a further £15.6 million in 2020/21. Between now and 2024 they are looking at a £42million budgetary black hole, this equates to 17% of their budget over the next 3 years.

It was encouraging to hear comments from the new Prime Minister that he was going to turn on the spending taps and your own comment that the government is 'turning the page on austerity'.

However, the proof of the pudding is always in the eating, and what was announced in the early Spending Review falls far short of turning on the spending taps. In fact it's amounted to little more than a trickle as far as Wales is concerned. The £600m extra for Wales doesn't even return the Welsh Government's budget to 2010/11 levels, with the 2020/21 budget £300million lower in real terms than it was ten years ago.

A further real terms cut will have far reaching consequences across public services in Wales, especially in local government. Welsh councils like their English counterparts have carried the heaviest burden of public sector austerity.

Councils, their workforce and residents have witnessed a decade of services being cut, and those services that have remained being stretched to breaking point. Councils have now reached the point where they don't have the resources to pay for the services that the public have come to expect. They are left with no other option than to reduce the



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vital services residents have come to rely on because this government has utterly failed local government. Services cannot continue to be delivered with such ongoing drastic funding reductions. This is putting the most vulnerable in our communities at risk.

One year of loosening the purse strings does not undo the damage nine years of austerity has had on our communities. It does not bring back the jobs or return the services that have been lost.

The magnitude and scale of nine years of cuts means many councils, like Neath Port Talbot, are at tipping point. The trade-off and consequences of these extremely difficult choices are deeply felt in the local community and will be felt for years to come.

Better funding is desperately needed for local government if we are to avoid councils reducing their service to the legal minimum. What was allocated to the Welsh Government in the Spending Review does not go far enough. They need to be given the resources they need to continue to produce a balanced budget and meet their statutory obligations.

If the Prime Minister is serious as about address these issues then the government must change the landscape for local government by improving Wales' settlement that was announced in the Spending Review, so that the Welsh can pass the benefits on to local government.

Yours sincerely,

Stephen Kinnock
Member of Parliament for Aberavon