

# Spring Conference 2024

## POLICY MOTION

# Local Government Funding in Wales

AGREED BY THE WELSH LIBERAL DEMOCRATS CONFERENCE

Conference notes:

- A. That the WLGA estimates that councils in Wales are facing £720m funding pressures in 2024-25, equivalent to almost 10% of net expenditure.
- B. That real terms funding for local government in Wales was 12% lower in 2023-24 than in 2009-10, and that real spending power (i.e. excluding funding for social care) was 32% lower. This contrasts with a 5% increase in the overall Welsh government budget during the same period.
- C. That several council leaders in Wales have spoken of the danger of councils issuing section 114 insolvency notices within the next two years.
- D. That concern about funding for local authorities is cross party.

Conference further notes that:

- a. That the Welsh Government's draft budget for 2024-25 is wholly inadequate to address the needs of local authorities and the people they serve.
- b. That the older age population is increasing faster than the general population and an aging population is increasing the complexity of the care required.
- c. That as we have moved out of the pandemic and lockdown period, councils have faced significantly increased demands for support for vulnerable adults and children, some with complex mental health needs.
- d. That many councils in Wales are already struggling to meet their legal requirements, for example in response to increasing demand for Additional Learning Needs (ALN) support.
- e. That Councils are under increasing pressure on costs, in particular to meet inflation and rising staff costs, including the National Living Wage, and increased energy costs since 2022.
- f. That many councils are being forced to set large increases in Council Tax

at a time when household finances are under significant pressure from the rising cost of living.

- g. That community councils often play an important role in the delivery of local services and also require adequate resourcing.

Conference believes:

- I. That local authorities are critical to the delivery of key local services.
- II. That proposals to reform the Council Tax in Wales with the creation of additional bands for more expensive properties are welcome, but more fundamental reform of local taxation is needed.
- III. That many councils have reached the limits of what can be achieved by efficiency savings. Cuts are now being made to core services highly valued by the communities that they serve and on which the most vulnerable people in our communities rely.
- IV. That, if properly funded, local government can play a key role in tackling climate change and protecting our environment.
- V. That the Welsh Labour Government's failure to properly resource local government is short-sighted and leads to critical failures in other public services (for example, the NHS is undermined by a weak social care system), which then demand ever-greater funding to deliver increasingly weak services.
- VI. That the Conservative Westminster Government's 'Levelling-Up' funding is an inefficient way to support local initiatives and undermines local decision-making and democracy.
- VII. That robust local authorities are crucial to the exercise of local democracy and to the creation of sustainable communities. That the hollowing-out of local institutions undermines the free and fair society that Welsh Liberal Democrats wish to support.

Conference resolves:

- 1. To demand that the Welsh Government provide an emergency budget update to ensure that local authorities receive additional funding in 2024-25 adequate to meet their additional funding pressures.
- 2. To call for the new First Minister and his Government to put in place a long-term plan to work towards the restoration of real terms local government funding to 2009-10 levels, and that this goal should be

assessed at each Spending Review.

3. To call for the Senedd to establish an Expert Panel to advise on the reformation or replacement Council Tax, which should not be limited to consideration of taxation options currently within devolved competencies.
4. To call on the UK Government and the Welsh Government to build a cross-national and cross-party consensus on the long-term funding of social care.
5. To support the LGA's Make It Local Campaign, which outlines how local government is key to delivering solutions to the biggest issues for the public.