



cannot be made with the applicant, for example when there is a hospital admission or where needs change and require reassessment.

- **Steve Thomas to provide information on Local Authority Reserves and Capital Expenditure**

Local authorities in Wales have a statutory responsibility to set and maintain adequate reserves in order that they can provide for the future financial needs of their communities. The Local Government Act 2003 requires each authority's chief financial officer to report on the adequacy of these reserves within their budget proposals each year. The level of reserves held by each local authority will be dependent on its assessment of the external and internal risks they face, and will be scrutinised by their external auditor

At 1<sup>st</sup> April 2008 the total non-school reserves across Wales amounted to £621m. Of this only, £176m (or 3.7% of net revenue expenditure) is unallocated, or available for general contingency use should the need arise. The remainder are held as earmarked reserves where the funds are held for specific purposes, such as insurance, winter maintenance, repairs and renewals of vehicles as well as being held for specific capital projects.

Due to their finite nature, it is not prudent to plan to use reserves for ongoing revenue expenditure as this will simply store up problems for the future, hence the reason that they are often best suited for capital purposes or other similar one-off expenditure.

Unfortunately, capital resources are also under increasing pressure, with the potential expenditure across all service areas far outstripping the resources available. Capital grants and supported borrowing from the Assembly Government have fallen as a proportion of total capital expenditure over the last few years. The proportion of total local authority capital expenditure funded from their own resources, (unsupported borrowing, capital receipts, use of reserves) has risen from 23% (£230.7m) in 2005-06 to 32% (£361.6m) in 2007-08. To compound this, capital programmes have been severely hit by the fall in property and land values and the reduction in sales. In a recent WLGA survey on the effects of the recession on local authorities, 20 of the 22 authorities reported that capital development had been adversely affected in their area. This will make it increasingly difficult for local authorities to supplement the capital resources they receive through the Welsh Assembly Government with capital receipts, and be an additional burden on the use of reserves. Examples of capital projects include the funding of three new schools in Newport; £2.8m on the provision of adaptations in Swansea's council housing stock; schools reorganisation plans across Wales; city centre redevelopment projects (particularly important in the current economic climate); improvements and refurbishment of leisure centres and libraries; structural maintenance of roads to ensure that they are safe; and so on.

- **Steve Thomas to clarify why some Local Authorities provided a nil-return for some categories within the Performance Indicator.**

Nine Authorities responded within the short timescale and all reported that the only reason they record a nil response is when there is no information to be reported.

- **Steve Thomas to provide further information about the differentiation between adaptations for children and older people.**

From the transcript, the issue that was raised was an offer made by the WLGA to ask older people's fora whether the issue of the differentiation between younger and older peoples waiting times for adaptations had been raised as an issue. A short survey was conducted and for those local authorities that responded, all indicated that the issue had not been raised in local fora. From our perspective, this is not a surprise and anecdotally it is clear that this is not a priority issue for older people's fora which cover a whole range of issues. Of course, there is a wider point that until the performance indicator is changed it is difficult to prove the issues of differentiation one way or another. This very point was made clearly by several attendees at the Committee meeting.

### **Additional Queries**

- **Individual Value of the Grants**

The data available for disabled facilities grants does not differentiate between younger and older recipients. Our response to you in the written and oral submissions to Committee identified the belief from local practitioners that as the adaptations for younger recipients can be more complex – and that a greater cost and waiting time can result from this. It is not our belief that this is a result of discrimination but of the complexities of the different cases.

### **Previous Action Points**

- **Information about discretionary monies available to fast-track older people in urgent need of adaptations**

The Welsh Local Government Association response to this question can be found in our written submission to the Committee. If you have any specific questions relating to this, please contact me using the details below.

- **Partnership working with Care and Repair**

Within the Committee, evidence was given from local government about their extensive working with Care and Repair agencies. Representatives from Caerphilly and Carmarthenshire spoke specifically about their integrated working with Care and Repair which included co-location. We would also be keen to share some of the concerns around future funding for Care and Repair against a backdrop of increasing demand and economic uncertainty.

Working with Care and Repair is the most common relationship with an external agency that local authorities have in this area. In addition to the funding that Care and Repair receives from the Welsh Assembly Government, the majority of local authorities choose to fund Care and Repair above the grant that they receive from the Assembly.

- **Investment into Local Authority Occupational Therapy Services in the last 15 years**

The response to this question would take a significant time period and resource to investigate and it is not felt that neither we, nor local authorities would be able to respond to this particular query within this short time period.

I hope that this information is of use to the Committee.

Yours sincerely

Naomi Alleyne

**Naomi Alleyne**  
**Director, Equality and Social Justice**