



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

Title **Final Local Government Settlement 2018-19**

Date **20 December 2017**

By **Alun Davies AM**
Cabinet Secretary for Local Government and Public Services

Following the announcement yesterday of the Welsh Government's Final Budget proposals for next year, I am today publishing details of the Final Local Government Settlement for 2018-19 setting out the allocations of core revenue funding for each of the 22 county and county borough councils.

In preparing the final settlement, I have given careful consideration to the responses I received to the consultation on the provisional settlement which closed on 21 November. This announcement provides councils with a robust basis for their financial planning for the coming financial year.

Compared with the provisional settlement, next year's final settlement for 2018-19 will include an additional £20 million as a result of the Welsh Government's final budget allocations. Also the final settlement includes a further £7 million to support the increase to the capital limit in charging for residential care to £40,000 commencing from April 2018. The changes mean the final settlement represents a slight cash increase overall, equivalent to an increase of 0.2% after adjusting for transfers.

The settlement also provides an additional £1.3 million of funding to local authorities, for them to use their discretionary powers to provide targeted relief to support local businesses which would benefit most from additional assistance.

The additional funding means that I am also able to revise the floor arrangements set out in the provisional announcement such that no authority now faces a reduction of more than 0.5% compared with the current year, on a like for like basis.

Yesterday's Final Budget announcement also included a further £20 million for local government in 2019-20.

This is a realistic settlement that continues to protect local government from significant cuts against a backdrop of reducing budgets from the UK Government.

While the unhypothecated Settlement is the largest single source of funding available to authorities, it is not the only one. In setting their budgets and council tax levels for next year, I expect every authority to take account of all the available funding streams and to consider how to secure best value for Welsh taxpayers through effective and efficient service provision. We offer considerable flexibility to authorities to exercise autonomy and responsibility in managing their finances.

Revenue grants

Alongside the settlement, I am publishing the latest information on Welsh Government grant schemes planned for 2018-19. This will assist local authorities in preparing their budgets for next year.

Individual authority allocations

Table 1 sets out the final distribution of Aggregate External Finance (comprising revenue support grant and redistributed non-domestic rates) between the 22 councils for 2018-19.

Capital settlement

Capital funding for 2018-19 amounts to £485 million. Within this, General Capital Funding for 2018-19 and the following two years will remain unchanged at £143 million. This provides clarity and certainty on future funding for authorities' own capital spending priorities.

The motion for the National Assembly for Wales to approve the Local Government Finance Report for 2018-19 is scheduled for debate on 16 January 2018.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Assembly returns I would be happy to do so.

[523 words]

Table 1: 2018-19 final settlement – comparison of the 2017-18 AEF including top-up funding (adjusted for transfers and tax-base changes) and the 2018-19 final AEF and top-up funding

								£000s
Unitary authority	2017-18 adjusted AEF plus top-up funding ¹	Of which top-up funding	2018-19 final AEF	2018-19 top-up funding	2018-19 final AEF plus top-up funding ²	% change on adjusted 2017-18 AEF plus top-up funding	Rank	Council Tax Reduction Schemes (distributed within AEF)
Isle of Anglesey	95,191	0	95,812	0	95,812	0.7%	2	5,187
Gwynedd	174,093	0	175,127	0	175,127	0.6%	4	8,926
Conwy	154,386	0	153,576	39	153,615	-0.5%	20	8,976
Denbighshire	143,395	0	143,119	0	143,119	-0.2%	15	9,172
Flintshire	189,565	0	189,156	0	189,156	-0.2%	16	9,761
Wrexham	174,009	0	174,636	0	174,636	0.4%	8	9,672
Powys	174,706	1,237	174,026	0	174,026	-0.4%	19	8,043
Ceredigion	100,819	0	101,251	0	101,251	0.4%	6	4,881
Pembrokeshire	161,314	0	161,774	0	161,774	0.3%	9	7,077
Carmarthenshire	258,819	0	259,440	0	259,440	0.2%	11	14,249
Swansea	317,122	0	319,087	0	319,087	0.6%	3	19,180
Neath Port Talbot	211,838	0	212,341	0	212,341	0.2%	12	16,300
Bridgend	191,467	0	191,582	0	191,582	0.1%	13	12,907
The Vale Of Glamorgan	152,114	0	152,480	0	152,480	0.2%	10	9,063
Rhondda Cynon Taf	362,319	0	364,176	0	364,176	0.5%	5	21,772
Merthyr Tydfil	90,635	391	90,305	0	90,305	-0.4%	17	5,643
Caerphilly	268,248	0	267,240	0	267,240	-0.4%	18	13,302
Blaenau Gwent	110,905	0	109,633	717	110,351	-0.5%	20	8,261
Torfaen	131,652	0	131,543	0	131,543	-0.1%	14	7,996
Monmouthshire	93,737	0	93,218	51	93,268	-0.5%	20	5,649
Newport	211,954	0	212,790	0	212,790	0.4%	7	10,362
Cardiff	437,048	0	440,947	0	440,947	0.9%	1	27,619
All Unitary Authorities	4,205,337	1,628	4,213,260	807	4,214,067	0.2%		244,000

1. 2017-18 AEF adjusted for latest tax base, transfers of £91.7m into the Settlement and inclusive of £1.6m of top-up funding provided in 2017-18.

2. 2018-19 Final AEF including £807 thousand top-up funding.