

Report of the Section 151 Officer

For Council 25th October 2018 – updated for 23rd October Welsh Government Announcements

Setting the Scene – Provisional Revenue and Capital Settlement 2019/20

1. The provisional settlement for 2019/20 was announced on 9th October 2018. Further details regarding all Wales level specific grants were announced on 23 October. Final settlement is due 19th December.
2. It details a provisional settlement for one year only – i.e. 2019/20 (average of minus 0.3% off block grant), with no indication for 2020/21. The Welsh Government will clearly wish to analyse the outcome of the Chancellor's 29th October budget before confirming forthcoming year or committing to any comment on future years.

3. Provisional Revenue Settlement 2019/20

- 3.1 General support from Welsh Government to Local Government in Wales is made up of two elements:-

Table A Movement in provisional settlement 2019/20

		£'000	£'000
2018/19	Revenue Support Grant	239,946	
2018/19	Share of NDR	79,141	
2018/19	Total AEF		319,087
2019/20	Teachers' Pay Grant	606	
2019/20	Free School Meals Grant	277	
2019/20	Total transfers in		883
2019/20	None	0	
2019/20	Total Transfers out		0
2019/10	None	0	
	Total additions for responsibilities		0
2019/20	Net MORE money		18
<hr/>			
2019/20	Provisional settlement		319,988

	2018/19 £'000	2019/20 £'000	Movement £'000	%
Revenue Support Grant	239,946	239,974	28	0.0
NDR	79,141	80,014	873	1.1
Total funding	319,087	319,988	901	

- Revenue Support Grant - BUT effectively worth 0% after grant transfers
- Local authority share of redistributed Non Domestic (Business) Rates

Together these sums form the Aggregate External Finance (AEF) which is the total support proposed for each year.

Note, that although the provisional settlement refers to extra funding for the Teachers pay award in 2019/20 on top of the 2018/19 position, by virtue of there being a cash grant stand still, there is no funding in the system to “pay” for this increase.

- 3.2 Notionally it is irrelevant how total funding is made up in terms of the split between the two elements detailed above but clearly, as far as Non Domestic Rates are concerned the sum allocated reflects what is available in total from the all Wales Pool and could be subject to fluctuation year on year (but not in year).
- 3.3 The provisional Settlement for 2019/20 is shown in table A above
- 3.4 Table A shows both the detailed movement in the overall settlement and, equally importantly, the split between overall funding between RSG and NDR for both the current year and 2019/20. It can be clearly seen that overall funding reflects a freeze in core grant.
- 3.5 In previous years it has been practice to passport to Service Budgets and transfer in to RSG from specific grants and to deduct from service budgets any transfers out. At this stage, it is assumed that will remain the case for 2019/20.
- 3.6 There appears to be no explicit protection for social services or education despite ministerial words in the core settlement.
- 3.7 Overall, the settlement for all Local Authorities across Wales has dropped marginally. In terms of the actual cash settlement received by this Council, the above sums are notional at best.
- 3.8 Unlike previous years, the provisional settlement gives no indication of genuine protection – implied or otherwise – in respect of delegated schools budgets.

- 3.9 Whilst there is no specific attribution of AEF to specific areas of spend, each year the Welsh Government produces a cross sector analysis of Standard Spending assessment which feeds into the AEF process.
- 3.10 It is clear when looking at AEF that personal social services has risen, school services has risen slightly, other education (non-schools) and other services have fallen (particularly roads and transport). Cash though for the council, like for like, has stood still, so these are all notional rises, not real or backed by cash.

4.

Table B - Movement in SSA - School Services

Year	School Services SSA £'000	Overall SSA £'000	%
2018/19	164,506	427,418	38.49
2019/20	164,947	434,255	37.98

Table B - Movement in SSA - Social Services

Year	Social Services SSA £'000	Overall SSA £'000	%
2018/19	122,413	427,418	28.64
2019/20	126,574	434,255	29.14

- 4.1 There is an underlying calculation in terms of analysing AEF distribution between Councils that makes use of a standard tax element as part of the overall formula calculation. It is an effective proxy for how much the Welsh Government thinks local authorities could raise locally through taxation, but is not binding or even a guideline.
- 4.2 Using figures extracted from 2018/19 and provisional settlement 2019/20 reports it is clear that the assumption within the settlement data is an increase in the standard council tax element of 6.3%.

5. Specific Grant settlements 2019/20

- 5.1 Specific grants information on an all Wales basis was released on 23rd October 2018. On a like for like basis £47m has been added to specific grants of which £30m is for personal social services and £15m for schools funding. Both have previously been widely trailed though what they are expected to fund remains not entirely clear (i.e. new money and/or new responsibilities). The remaining uplift is for Pupil Deprivation Access Grant. Some grant details remain to be announced, most notably in Waste in Education.

6. Capital Settlement 2019/20

- 6.1 There has been a minor increase in the overall level of supported General Fund Capital Expenditure from previous years from £10.292m to £10.342m.
- 6.2 The effect of that is that the Council will continue to be in a position where Capital Expenditure on three basic areas – Building maintenance, Highways maintenance and DFG's will continue to exceed the overall capital allocation unless budget allocations in these areas are reduced.

7. Indicative Council tax levels across Wales 2018/19

- 7.1 Appendix 'A' to this report shows current Council tax levels (Band D) across Wales for 2018/19 as a reference guide.

Appendix A

Table 1: Breakdown of band D council tax in Wales, 2018-19

	Average band D	Of which:			Average per dwelling
		County council element	Community council element (a)	Police authority element	
	£	£	£	£	£
Isle of Anglesey	1,441	1,140	42	258	1,313
Gwynedd	1,601	1,301	42	258	1,441
Conwy	1,469	1,168	43	258	1,331
Denbighshire	1,555	1,248	49	258	1,409
Flintshire	1,480	1,178	45	258	1,417
Wrexham	1,398	1,093	47	258	1,277
Powys	1,471	1,189	57	225	1,455
Ceredigion	1,484	1,226	33	225	1,433
Pembrokeshire	1,252	994	34	225	1,183
Carmarthenshire	1,500	1,197	79	225	1,276
Swansea	1,518	1,269	16	234	1,290
Neath Port Talbot	1,772	1,497	42	234	1,312
Bridgend	1,676	1,396	47	234	1,420
Vale of Glamorgan	1,466	1,187	45	234	1,516
Cardiff	1,391	1,155	3	234	1,389
Rhondda Cynon Taf	1,666	1,406	26	234	1,209
Merthyr Tydfil	1,735	1,500	1	234	1,188
Caerphilly	1,309	1,058	12	239	1,017
Blaenau Gwent	1,828	1,571	18	239	1,162
Torfaen	1,526	1,242	46	239	1,250
Monmouthshire	1,539	1,242	58	239	1,732
Newport	1,301	1,057	5	239	1,152
Wales average	1,492	1,219	34	239	1,319

(a) The average community council element across the county.

Existing Grant name	2018-19	2019-20
<u>Children, Older People and Social Care</u>		
Flying Start Revenue Grant ¹	74.683	0.000
Families First ¹	37.661	0.000
Out of School Childcare ¹	2.300	0.000
NHS Funded Nursing Care Grant	1.900	NA
St David's Day Fund ¹	1.000	0.000
National Approach to Advocacy	0.550	0.550
Maintaining the Delivery of the National Adoption Register	0.172	0.172
Development of Adoption Support Services in Wales	0.090	0.090
Children and Communities Grant	0.000	135.442
TOTAL	118.356	136.254
<u>Culture, Tourism and Sport</u>		
Regional Tourism Engagement Fund	0.976	0.750
CYMAL	0.268	NA
Specialist Service Grants	0.065	0.065
TOTAL	1.309	0.815
<u>Economy and Transport</u>		
Concessionary Fares	57.986	60.133
Bus Services Support Grant	25.000	25.000
Bus Revenue Support Traws Cymru	3.400	3.387
Road Safety Grant	2.000	2.000
Major Events Grant Support	1.625	NA
Anglesey Airport	0.366	NA
Enterprise Zones	0.105	0.050
TOTAL	90.482	90.570
<u>Education</u>		
Education Improvement Grant ²	118.137	118.137
Pupil Development Grant	91.333	91.333
Raising School Standards ²	10.030	NA
Additional Support for Ethnic, Minority, Gypsy Roma Traveller Learners ³	8.700	8.700
Teachers Pay Grant	8.069	RSG
Pioneer Schools ²	7.105	NA
Free School Meals Grant	4.000	RSG
Youth Support Grant	3.470	3.470
Additional Learning Needs Transformation Grant	3.200	3.200
Reducing infant class sizes grant	3.000	5.000
Small and Rural Schools Grant	2.500	2.500
PDG Access ³	1.770	3.554
GCSE Support ²	1.000	0.000
The Learning in Digital Wales Continuing Professional Development Programme (Phase 2) ²	0.450	0.500

Modern Foreign Languages ²	0.432	0.432
Seren Network Hub Grant	0.320	0.320
Senior Business Managers	0.200	0.200
Mentoring and Networking Support for Head Teachers ²	0.140	0.140
Specialist Skills Development	0.079	0.131
National Numeracy Tests ²	0.020	0.020
Schools Funding Grant	0.000	15.000

TOTAL	263.956	252.637
--------------	----------------	----------------

Energy, Planning and Rural Affairs

Sustainable Waste Management Grant ⁴	18.200	NA
Waste Infrastructure Procurement Programme - Gate Fee Contributions	7.680	10.170
Single Revenue Grant ⁵	2.548	0.000
Animal Health & welfare Framework Funding	0.200	0.200
South Wales Regional Aggregate Working Party	0.050	0.050
Waste Planning Monitoring Report - North Wales and South East Wales.	0.049	0.049
North Wales Regional Aggregate Working Party	0.025	0.025
Waste Planning Monitoring Report - South West Wales	0.017	0.017
Non-Domestic (Business) Rates Support for Hydropower	0.008	NA

TOTAL	28.777	10.510
--------------	---------------	---------------

Environment

Land Drainage and Coastal Protection	1.430	1.430
Air Quality Direction Feasibility Study	0.554	0.554
Sustainable Development Fund for Areas of Outstanding Natural Beauty	0.275	0.275

TOTAL	2.259	2.259
--------------	--------------	--------------

Finance

High Street Rate Relief	5.000	0.000
-------------------------	-------	-------

TOTAL	5.000	0.000
--------------	--------------	--------------

Health and Social Services

Substance Misuse Action Fund	22.663	22.663
Deprivation of Liberty Safeguard	0.263	NA
Take Home Naloxone	0.080	0.080
Substance Misuse Bursary Scheme	0.035	0.035
Social Services Grant	0.000	30.000

TOTAL	23.041	52.778
--------------	---------------	---------------

Housing and Regeneration

Supporting People ⁶	123.688	0.000
Cardiff Bay Regeneration	5.400	5.400
Homelessness Grant	2.800	NA

Rural Housing Enabler Projects	0.030	0.030
Housing Support Grant	0.000	126.763
TOTAL	131.918	132.193

Leader of the House

Violence against Women, Domestic Abuse & Sexual Violence Grant	1.938	2.438
Community Cohesion Grant	0.360	0.360
TOTAL	2.298	2.798

Local Government and Public Services

Cardiff Capital City Deal	10.000	10.000
Communities First Legacy ¹	6.000	0.000
Promoting Positive Engagement for Young People At Risk of Offending ¹	4.330	0.000
Child Burials	0.600	0.600
Support for Public Services Boards	0.400	0.400
Armed Forces Day	0.170	0.020
TOTAL	21.500	11.020

Welsh Language and Lifelong Learning

Sixth Form Funding ⁷	92.918	NA
Communities for Work Plus ¹	10.731	0.000
Communities for Work	6.833	6.906
Adult Community Learning	4.307	NA
Promote and Facilitate the use of the Welsh Language	0.314	0.314
TOTAL	115.102	7.220

All Grants	803.997	699.054
All Grants excluding NA and RSG transfers (for like-for like comparison)	652.138	699.054