

Alun Davies AC/AM
Ysgrifennydd y Cabinet dros Lywodraeth Leol a
Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public
Services



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-P/ARD/4188/17

To:
Leaders of County and County Borough Councils in Wales

Copied to:
Chief Executives and Directors of Finance, County and County Borough Councils in Wales
Chief Executive and Director of Finance, Welsh Local Government Association

20 December 2017

Dear Colleagues

Today I am announcing details of the Final Local Government Revenue and Capital Settlements for 2018-19 for county and county borough councils in Wales through a Cabinet Written Statement. This is attached for your information.

This announcement outlines my intention to set local government core revenue funding for 2018-19 at £4.214 billion. This means, after adjusting for transfers, overall core funding for local government in 2018-19 will increase by 0.2 per cent on a like-for-like basis compared to the current year.

I have carefully considered responses to the consultation on the provisional settlement before determining the final settlement. The responses did not identify any matters which required a change of approach for the final settlement.

Compared with the provisional settlement announced on 10 October, the final settlement includes an additional £28.3 million (excluding the cost of the floor arrangements). This comprises an additional £20 million allocated to local government through the final budget published on 19 December. It also includes a further £7 million announced on December to support the increase to the capital limit for charging for residential care to £40,000 commencing from April 2018. Also included is an additional £1.3m 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.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Alun.Davies@llyw.cymru
Correspondence.Alun.Davies@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

In light of the additional resources included in the final settlement, I have revisited the funding floor announced in October and have provided £807 thousand of funding outside of the settlement to ensure that no authority sees a reduction of greater than 0.5 per cent compared to its 2017-18 allocation and top-up funding.

The Welsh Government's Final Budget proposals published yesterday also included a further £20 million for local government in 2019-20.

The non-hypothecated general capital funding for 2018-19 will be maintained at £143 million over the next three years.

Full details of the final settlement including *The Local Government Finance Report* and additional tables are being published on the Welsh Government website. This information, together with the details I am making available on the revenue and capital grants to be provided to local government, gives you the information you need to set your budgets and council tax levels for 2018-19.

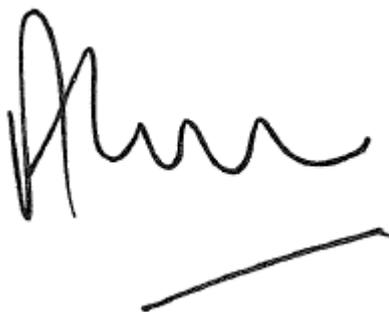
I would like to remind you of the requirement on every authority to comply with the general equality duties set out in the Equality Act 2010, and also the specific equality duties where applicable. The equality impacts of budgetary options should be assessed and inform any final decisions.

You also need to take account of your duties under the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language Standards in preparing your plans for 2018-19.

This final settlement provides you with the information you need to plan your budgets for 2018-19. I strongly encourage you to consider how you can best engage with your local communities in formulating your proposals and making budget decisions.

I will now proceed to lay the Local Government Finance Report No 1 for 2018-19 for debate in the Assembly on 16 January 2018.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alun', with a horizontal line underneath it.

Alun Davies AC/AM

Ysgrifennydd y Cabinet dros Lywodraeth Leol a Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public Services