

**LOCAL GOVERNMENT FINANCE REPORT (No.1) 2018-19**  
**(Provisional Settlement – Councils)**

**WELSH MINISTERS**

**LOCAL GOVERNMENT FINANCIAL REPORT**  
**(No.1) 2018-19**  
**(Provisional Settlement - Councils)**

# LOCAL GOVERNMENT FINANCE REPORT (No.1) 2018-19 (Provisional Settlement – Councils)

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## **SECTION ONE: PURPOSE OF REPORT AND MAIN PROPOSALS**

### **Chapter 1: Purpose of report**

- 1.1 This report is made in accordance with the requirements of the Local Government Finance Act 1988 (“the 1988 Act”). It sets out how much revenue support grant (RSG) the Welsh Ministers propose to distribute to county and county borough councils (hereafter referred to as councils) in Wales in 2018-19. The report also sets out how Non-Domestic Rates (NDR) will be distributed to councils and states the amount of RSG the Welsh Ministers propose to pay to specified bodies providing services to local government.
- 1.2 This report specifically relates to receiving authorities (other than Police and Crime Commissioners), and specified bodies. The Local Government Act 2003 amended the 1988 Act to allow a separate Local Government Finance Report to be produced for Police and Crime Commissioners in Wales. The 1988 Act has been amended to make reference to Police and Crime Commissioners following the commencement of section 1 of the Police Reform and Social Responsibility Act 2011.
- 1.3 Before making determinations about the overall amount of RSG and the respective shares of RSG and NDR to be distributed amongst receiving authorities and specified bodies, the Welsh Ministers will consult such representatives of local government as appear appropriate from 10 October 2017 to 21 November 2017 as required by the 1988 Act.

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## **Chapter 2: Main Proposals**

### ***Revenue Support Grant***

- 2.1 The amount of RSG for councils in 2018-19 is £3,185,075,690. In addition, £3,179,310 is to be paid to specified bodies.
- 2.2 Under the system of distribution determined in this report, the amount of RSG to be paid to an individual council is determined by its standard spending assessment (SSA), taking account of the amount of NDR it will receive and also assuming the amount of council tax it is able to raise. Section 2 of this report describes how this process works.

### ***Distributable Amount: Non-Domestic Rates***

- 2.3 The distributable amount of NDR available for 2018-19 is £1,052 million, defined as F in Section 2, Chapter 4. Therefore, the figure for councils is £999.4 million (which is the total NDR less 5 per cent allocated to Police and Crime Commissioners). The basis upon which NDR is distributed to councils is described in Section 2, Chapter 4.

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## SECTION TWO: COUNCILS

### Chapter 3: Calculation of the amount of Revenue Support Grant for each council

- 3.1 This chapter specifies the basis on which the Welsh Ministers will distribute the amount of RSG to be paid to councils in 2018-19.
- 3.2 The method by which SSAs for councils have been calculated is set out in Chapter 5. The calculation makes use of information reflecting the demographic, physical, economic and social characteristics of each area.
- 3.3 In order to calculate the amount of grant to be paid to each council, Welsh Ministers will first calculate the SSA for every authority. For this purpose, it is assumed that there is no use of, or contribution to, financial reserves.

The RSG entitlement for each council is calculated by applying the formula:

$$(A - B - (C \times D))$$

Where:

- A is the SSA for the council as calculated in accordance with Chapter 5
- B is the council's share of the distributable amount from the non-domestic rating account as calculated in accordance with Chapter 4
- C is the standard tax element for the council as specified in paragraph 3.4
- D is the council tax base for RSG purposes for the council area as specified in Table 3.1

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## ***Standard tax elements for calculating Revenue Support Grant entitlements***

3.4 The appropriate “standard tax element” for councils is £1,166.72.

## ***Council tax base for distributing Revenue Support Grant***

3.5 Each council is required to calculate its council tax base in accordance with regulations made under section 33(5) of the Local Government Finance Act 1992 (these are the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended)<sup>1</sup>). The calculation of the council tax base for the purpose of distributing RSG is made having regard to council tax base figures supplied to Welsh Ministers by councils on Form CT1 on or before 22 November 2017.

3.6 The council tax base figures for the purpose of distributing RSG are set out in Table 3.1. In order to ensure consistency across Wales no account is taken of councils’ assumptions about collection rates. For the purpose of distributing RSG, collection rates are assumed to be 100 per cent. Changes to the tax-base resulting from the introduction of council tax premiums for second and long-term empty homes are also reversed out of the calculations<sup>2</sup>.

<sup>1</sup> S.I. 1995/2561 and see the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 1999 (S.I. 1999/2935) (W. 27), the Local Authorities (Calculation of Council Tax Base) and the Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 (S.I. 2004/3094) (W. 268), the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016 SI 2016/969 (W. 238) (amendments in force from 28 October 2016).

<sup>2</sup> See Distribution Sub Group Report, 2015 – paragraph 27.

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**Table 3.1: Council tax base – Number of Band D equivalent properties for 2018-19<sup>1</sup>**

<i>County and county borough councils</i>	<b>Number of Band D equivalent properties</b>
Isle of Anglesey	30,736
Gwynedd	50,740
Conwy	50,662
Denbighshire	39,873
Flintshire	64,026
Wrexham	53,931
Powys	62,281
Ceredigion	32,058
Pembrokeshire	55,492
Carmarthenshire	73,434
Swansea	91,759
Neath Port Talbot	48,585
Bridgend	53,836
The Vale of Glamorgan	59,398
Rhondda Cynon Taf	76,901
Merthyr Tydfil	18,822
Caerphilly	61,536
Blaenau Gwent	21,306
Torfaen	33,467
Monmouthshire	45,998
Newport	58,646
Cardiff	145,210
<b><i>Wales total</i></b>	<b>1,228,695</b>

*Notes: An explanation of Band D equivalent properties is given in Annex 3 – Explanatory Notes.  
Due to rounding, the sum of the tax-base for all the county and county borough councils may not add to the Wales total.*

<sup>1</sup> Council Tax Base for 2017-18 is used for the 2018-19 Provisional Settlement

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### Chapter 4: Calculation of the amount of non-domestic rates for each council

4.1 This chapter specifies the basis on which Welsh Ministers will distribute among councils the appropriate share of the distributable amount from the non-domestic rating account for 2018-19. It will be distributed pro rata to adult population in each council's area, using the following formula.

$$(F \times 95\%) \times \frac{G}{H}$$

where:

- F is the distributable amount, specified in paragraph 2.3 of Chapter 2 of this Report
- G is the resident population aged 18 years and over in each council area for the period up to the end of June 2016. The latest release takes into account the results of the 2011 Census, as derived from estimates by the Office for National Statistics and specified in Table 4.1
- H is the population of Wales on the same basis as set out in respect of G



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**Table 4.1: Resident population aged 18 years and over at 30 June 2016<sup>1</sup>**

<i>County and county borough councils</i>	<b>Prescribed figure (rounded)</b>
Isle of Anglesey	56,240
Gwynedd	100,100
Conwy	95,070
Denbighshire	75,390
Flintshire	122,400
Wrexham	107,400
Powys	107,700
Ceredigion	61,720
Pembrokeshire	99,740
Carmarthenshire	148,500
Swansea	197,200
Neath Port Talbot	113,600
Bridgend	114,100
The Vale of Glamorgan	101,500
Rhondda Cynon Taf	188,400
Merthyr Tydfil	47,120
Caerphilly	142,100
Blaenau Gwent	55,920
Torfaen	73,000
Monmouthshire	75,190
Newport	115,400
Cardiff	287,500
<b><i>Wales total</i></b>	<b>2,485,000</b>

*Note: Figures shown in the above table are rounded to four significant figures of those actually used and, therefore, the sum of the population for all the county and county borough councils may not add to the Wales total*

<sup>1</sup> Mid-Year Population Estimates 2016 in Wales.

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### **Chapter 5: Calculation of the Standard Spending Assessment for each council**

5.1 No part of the RSG for councils is earmarked for particular services. The relevant tables referred to in this section do not form a basis for calculating a notional allocation of either SSA or grant to individual councils for particular services.

5.2 The SSA of each council is determined following the methodology recommended by the Distribution Sub Group (DSG), a subgroup of the Partnership Council for Wales:

- the DSG methodology has identified a set of need indicators;
- the SSA units are those that are appropriate to apply to the indicators given in the table, following the DSG methodology; the size of the unit gives an indication of the appropriate level of spending associated with that indicator;
- each SSA unit shown alongside a need indicator is multiplied by the value of that need indicator;
- the sum of the resulting figures, together with an amount for debt financing and boundary changes, comprises that council's SSA.

5.3 The indicators used to determine the SSA for each council, and their definitions, are set out in Section 3, Annex 2.

5.4 Table 4, Annex 2 sets out the SSA determined for each council in Wales. The SSA units in Table 1, Annex 2 have been rounded to three decimal places as appropriate (if the fourth decimal place ends between 1 and 4 the figure is rounded downwards, otherwise rounded upwards). Therefore the sum of the values calculated using Table 1, Annex 2, when added to the figures shown in Table 2, Annex 2 may not exactly equate with the amounts determined in Table 4, Annex 2.

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**SECTION THREE - ANNEXES TO THE REPORT**

Annex 1: Amount of Revenue Support Grant to be paid to Specified Bodies

Annex 2: Indicators used in the Calculation of Councils' Standard Spending Assessments

Annex 3: Glossary and Explanatory Notes

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## **Annex 1: Amounts of Revenue Support Grant to be paid to Specified Bodies**

The amount of RSG that Welsh Ministers will pay to each specified body is the amount shown against its name in the right hand column of the following table.

<b>Specified Body</b>	<b>Amount in £s</b>
The Improvement and Development Agency for Local Government	294,240
Welsh Local Government Association	2,885,070
<b>TOTAL</b>	<b>3,179,310</b>

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## Annex 2: Indicators and Values used in the Calculation of Councils' Standard Spending Assessments

**Table 1: Indicators and data used to calculate SSAs for councils**

<i>Need indicator</i>	<i>Note</i>	<i>Data Year</i>	<i>SSA Unit (£)</i>
Population, all ages (projected)	1	2018	181.074
Population aged 3 to 11 (projected)	1	2018	54.839
Population aged 3 to 16 (projected)	1	2018	378.783
Population aged 11 to 20 (projected)	1	2018	47.299
Population aged 18 to 64 (projected)	1	2018	171.673
Population aged 16 and over (projected)	1	2018	2.068
Population aged 18 and over (projected)	1	2018	6.176
Population aged under 60 (projected)	1	2018	0.423
Population aged 60 and over (projected)	1	2018	10.262
Population aged 85 and over (projected)	1	2018	1281.864
Population aged 11 to 15 (projected) and secondary school pupils in year groups 12 to 14	2	2018 & 2017	173.689
Population aged 16 to 18 (projected) other than at school	3	2018 & 2017	29.99
Enhanced population (projected)	4	2018 & 2016	60.239
Primary school pupils and modelled nursery school pupils	5	2017	3248.468
Secondary school pupils in year groups 7 to 11	6	2017	4115.199
Secondary school pupils in year groups 10 and 11	7	2017	1014.055
Primary school pupils eligible for free school meals	8	2017	2024.086
Secondary school pupils eligible for free school meals	9	2017	2945.427
Area per modelled primary school index	10	2017	341.555
Area per modelled secondary school index	11	2017	90.241
Dependent children in households where head is in a low occupational classification	12	2001	37.649
Dependent children in lone adult households	13	2001	54.853
Dependent children in social rented housing	14	2001	420.401
Dependent children in overcrowded housing	15	2001	807.637
Pensioners living alone in households	16	2001	985.468
Pensioners with a limiting long-term illness	17	2001	599.762
Households where head is aged 18 to 64 with no carer	18	2001	86.503
Adults aged 18 to 64 in non-white ethnic groups	19	2001	187.856
Population aged under 18 in wards with weighted density greater than the Welsh average	20	2001	88.131
Dispersion threshold 2,500 (1991)	21	1991	0.005
Dispersion threshold 5,000 (1991)	21	1991	0.01
Dispersion threshold 300 (2001)	21	2001	8.389
Dispersion threshold 7,500 (2001)	21	2001	1.005
Settlement threshold 1,000	22	1991	98.753
Settlement threshold 7,500	22	1991	44.485
Settlement threshold 12,500	22	1991	3.187
Settlement threshold 30,000	22	1991	11.926
Settlement threshold 40,000	22	1991	10.42
Population within settlement threshold 50,000	23	1991	18.128

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<b><i>Need indicator</i></b>	<b><i>Note</i></b>	<b><i>Data Year</i></b>	<b><i>SSA Unit (£)</i></b>
Total income support, job seekers allowance, pension credit or universal credit (not in employment) claimants	24	2017	138.912
Dependent children in out of work families	25	2016	2819.926
Income support, job seekers allowance, pension credit or universal credit (not in employment) claimants, aged 18-64	26	2017	232.164
Income support, job seekers allowance or pension credit claimants, aged 65 and over	27	2017	702.134
Severe disablement allowance or disability living allowance or personal independence payment claimants, aged 18 to 64	28	2017	621.43
Number of deaths from all causes	29	2016	-69.958
Index-weighted working age population	30	2004 & 2018	19.574
Total homelessness decisions	31	2016	954.475
Housing General Capital Funding	32	2018-19	245.642
Planning applications received	33	2015-17	256.081
Urban road length	34	2017	1555.598
Weighted Road Length	35	2017	1251.464
Traffic flow	36	2016	0.003
Street lighting units	37	2017	76.091
Length of artificially protected coastline	38	2017	9500.173
Ships arriving at ports	39	2016	46.791
All dwellings	40	2017	28.15
Food premises	41	2017	122.47
Trading premises	42	2017	24.345
Land drainage levies	43	2017-18	1
National park levies	44	2018-19	1
Deprivation Grant	45	2000	1000
Housing Benefit Recipients	46	2015-2017	31.461
Council Tax Reduction Schemes Expenditure	47	2016-17	0.964
Council Tax Reduction Schemes Caseload	48	2016-17	16.651
Welsh Independent Living Grant	49	2017-18	1.043

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## Notes to Table 1

### Definitions of Indicators used in the Calculation of Council Standard Spending Assessments

*[Note: references to forms used to collect statistical data are Welsh Government forms]*

#### 1. *Population*

For the purpose of this Report, the population of an area and, except where otherwise indicated, the number of persons of any description in an area shall be the 2014-based projected number at 30 June of the data year as calculated by the Welsh Government as usually resident in that area or the number derived from those projections. In addition, Wrexham's population projections have added to them an estimate of the prison population for HMP Berwyn, taken from the August prior to the data year (Ministry of Justice statistics) and apportioned across the age groups according to the average proportion of male prisoners across the UK for the financial year ending March prior to the data year (Ministry of Justice statistics).

#### 2. *Population aged 11 to 15 and secondary school pupils in year groups 12 to 14*

The population of the council area (see note 1) plus the number of pupils at January of the PLASC data year in year groups 12 to 14 at maintained secondary schools in the council area (aggregated from information reported by maintained schools on the Pupil Level Annual School Census (PLASC) return, and information from councils) plus those Educated Other Than At School (EOTAS).

#### 3. *Population aged 16 to 18 other than at school*

The projected population of the council area (see note 1) less the number of pupils at January of the PLASC data year in year groups 12 to 14 at maintained secondary schools in the council area (aggregated from information reported by maintained schools the PLASC return, and information from councils) plus those EOTAS.

#### 4. *Enhanced population*

The total population of the council area (see note 1) plus the average nightly number of overnight visitors from within and outside the United Kingdom and the average daily number of day visitors, based on estimates provided by the Scarborough Tourism and Economic Activity Model (compiled from information collected by Global Tourism Solutions (UK) Ltd in the publication 'STEAM in Wales').

#### 5. *Primary school pupils and modelled nursery school pupils*

The number of pupils aged 4 and over at January of the data year at maintained primary and nursery schools excluding special schools in the council area, plus pupils aged 5 to 10 inclusive at independent schools excluding special schools and special education for which the council pays full tuition fees plus those EOTAS. An estimate for nursery pupils aged 3 is also included by taking the population of that age group in the council and scaling the number down by the proportion of 3 year olds in nursery schools for Wales as a whole. Part-time pupils have been given a weighting of one-half (aggregated from information reported by maintained schools on the PLASC return, and information from councils).

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### 6. *Secondary school pupils in year groups 7 to 11*

The number of pupils in year groups 7 to 11 in the data year at maintained secondary schools in the council area excluding special schools; plus pupils aged between 11 and 15 at independent schools for whom the council pays full tuition fees, excluding special schools and special education (aggregated from information reported by maintained schools on the PLASC return and information from councils) plus those EOTAS.

### 7. *Secondary school pupils in year groups 10 and 11*

The number of pupils in year groups 10 and 11 in the data year at maintained secondary schools in the council area excluding special schools; plus pupils at independent schools for whom the council pays full tuition fees, excluding special schools and special education (aggregated from information reported by maintained schools on the PLASC return and information from councils) plus those EOTAS.

### 8. *Primary school pupils eligible for free school meals*

The number of pupils registered on roll that were eligible for a free school meal at January of each year at maintained nursery and primary schools, attending reception year onwards, in the council area (aggregated from information reported by maintained schools on the PLASC return) plus those EOTAS pupils under 11 years old eligible for free school meals.

### 9. *Secondary school pupils eligible for free school meals*

The number of pupils registered on roll that were eligible for a free school meal at January of each year at maintained secondary schools, attending years 7 to 11, in the council area (aggregated from information reported by maintained schools on the PLASC return) plus those EOTAS pupils aged 11-15 eligible for free school meals.

### 10. *Area per modelled primary school index*

Land area divided by a modelled number of primary schools within the council. Land area is defined as the high water mark area of land in hectares as at the end of April of the year. The data are calculated by the Cartographic Unit, Welsh Government, using Ordnance Survey's Boundary Line data. The modelled number of schools is derived using regression methods, taking into account the number of pupils in maintained primary schools (see note 5) and the population settlement indicator with a threshold of 1,000 (see note 22). Modelled rather than actual school numbers are used to avoid perverse incentives. Distribution Sub Group paper 41 (2000) describes the calculation of modelled number of schools.

### 11. *Area per modelled secondary school index*

Land area divided by a modelled number of secondary schools within the council. Land area is defined as the high water mark area of land in hectares as stated above. The data are calculated by the Cartographic Unit, Welsh Government, using Ordnance Survey's Boundary Line data. The modelled number of schools is derived using regression methods, taking into account the number of pupils in maintained secondary schools (see note 6,7) and the population settlement indicator with a threshold of 7,500 (see note 22). Modelled, rather than actual, school numbers are used in order to avoid perverse incentives. Distribution Sub Group paper 50 (2000) describes the calculation of modelled



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number of schools.

### *12. Dependent children in households where head is in National Statistics Socio-economic Classification 6, 7 or 8*

The number of dependent children resident in households where the head of household is classed as being in a semi-routine occupation, routine occupation or never worked or long term unemployed (NS-SeC 6, 7 or 8) (2001 Population Census).

### *13. Dependent children in lone adult households*

The number of dependent children resident in households where there is only one resident adult (2001 Population Census).

### *14. Dependent children in social rented housing*

The number of dependent children resident in households in social rented housing (2001 Population Census).

### *15. Dependent children in overcrowded housing*

The number of dependent children resident in overcrowded housing (2001 Population Census).

### *16. Pensioners living alone in households*

The number of persons of pensionable age (males and females aged 65 and over) residing alone in households (2001 Population Census).

### *17. Pensioners with a limiting long-term illness*

The number of usually resident persons of pensionable age (males and females aged 65 and over) with a limiting long-term illness (2001 Population Census).

### *18. Households (where head is aged 18 to 64) with no carer*

The number of households containing a person with a limiting long-term illness (where the head of household is aged between 18 and 64) and no carer (2001 Population Census).

### *19. Adults in non-white ethnic groups*

The number of persons aged between 18 and 64 in non-white ethnic groups per head of the population aged 18 to 64 (2001 Population Census).

### *20. Population aged under 18 in wards with population weighted density greater than the Welsh average*

The total number of persons aged under 18 usually resident in the council area who reside in wards where the result of multiplying the usually resident population aged under 18 by the usually resident population and dividing by the area in hectares is greater than the average over all Welsh wards (2001 Population Census).

### *21. Dispersion, with various thresholds*

This is a measure designed to capture the additional time and distance costs associated

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with service delivery to dispersed communities. The parameter is calculated to settlement centroids within each authority with “key” settlements defined on the basis of varying population threshold criteria (report commissioned by the National Assembly for Wales from Pion Economics and NWRRL “The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales”).

### *22. Settlement, with various thresholds*

The population in each authority outside settlements above the specified threshold population size using the population figures from the 1991 Population Census (report commissioned by the National Assembly from Pion Economics and NWRRL “The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales”).

### *23. Population within settlement threshold*

The population in each authority within settlements above the specified threshold population size using the population figures from the 1991 Population Census (report commissioned by the National Assembly from Pion Economics and NWRRL “The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales”).

### *24. Total number of Income Support Claimants (MIG and Non-MIG), Income Based Jobseeker’s Allowance Recipients, Pension Credit Claimants or people on Universal Credit (not in employment)*

The estimated number of claimants of Income Support (MIG and Non-MIG), recipients of Income Based Jobseeker’s Allowance, claimants of Pension Credit or people on Universal Credit (not in employment), taken on a quarterly basis and averaged over the 12 quarters up to and including February of the data year (NOMIS and Stat-Xplore).

### *25. Dependent children in out of work families*

The estimated number of children in out of work families, during the data year (Her Majesty’s Revenue and Customs).

### *26. Number of Income Support Claimants (MIG and Non-MIG), Income Based Jobseeker’s Allowance Recipients, Pension Credit Claimants or people on Universal Credit (not in employment) aged 18-64*

The estimated number of claimants of Income Support (MIG and Non-MIG), recipients of Income Based Jobseeker’s Allowance, claimants of Pension Credit or people on Universal Credit (not in employment), who are aged 18-64, taken on a quarterly basis and averaged over the 12 quarters up to and including February of the data year (NOMIS and Stat-Xplore).

### *27. Number of Income Support Claimants (MIG and Non-MIG), Income Based Jobseeker’s Allowance Recipients or Pension Credit Claimants aged 65+*

The estimated number of claimants of Income Support (MIG and Non-MIG), recipients of Income Based Jobseeker’s Allowance or Pension Credit, who are aged 65+, taken on a quarterly basis and averaged over the 12 quarters up to and including February of the data year (NOMIS).

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### *28. Number of Severe Disablement Allowance or Disability Living Allowance or Personal Independence Payment Claimants aged 18-64*

The estimated number of claimants of Severe Disablement Allowance, Disability Living Allowance or Personal Independence Payment, who are aged 18-64, taken on a quarterly basis and averaged over the 12 quarters up to and including February of the data year (NOMIS and Stat-Xplore).

### *29. Number of deaths from all causes*

Deaths by 'local authority of usual residence' including numbers and standardised mortality ratios (SMRs) by sex (2013 registrations), compiled by the Office for National Statistics (ONS).

### *30. Index-Weighted Working Age Population*

An index derived from the statistical analysis of Gross Value Added multiplied by working age population (see note 1) set out in Distribution sub group paper 35 (2007).

### *31. Total homelessness decisions*

A three year average of the annual number of total homelessness decisions taken by eligibility and unitary authority (as reported by councils to the Welsh Government on form WHO12) up to and including March of the data year.

### *32. Housing General Capital Funding (GCF)*

GCF is provided to unitary authorities for capital projects on an unhypothecated basis. The calculation of the Housing funding is distributed on a formula basis using a variety of indicators such as total repair costs (2008 Living in Wales Survey), private dwelling stock estimates, amount of grants for completed Disabled Facilities Grants (DFGs) and 2001 Census data.

### *33. Planning applications received*

The number of planning applications received during each financial year averaged over the three financial years up to and including that ending in the data year (as reported by councils as part of the Welsh Government Development Control Quarterly Survey).

### *34. Urban road length*

The total length in kilometres at 1 April of the data year of those roads within the council's area, excluding trunk roads, subject to a speed limit not exceeding 40 miles per hour (as derived from estimates reported by councils on form TP1).

### *35. Weighted road length*

The total length in kilometres at 1 April of the data year, of those roads within the council's area, excluding trunk roads, with weightings of 3.2 for principal roads and 1.0 for all other local roads (as derived from estimates reported by councils on form TP1).

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### *36. Traffic flow*

The 'annual traffic flow' in vehicle kilometres for the data year on principal roads within the council's area (as derived from estimates from the National Road Traffic Survey, Department of Transport).

### *37. Street lighting units*

The number of street lighting units reported within the council area at 1 April of the data year (as reported by councils to the Welsh Government).

### *38. Length of artificially protected coastline*

This is defined as the aggregate of the lengths in kilometres of coastline at 1 April of the data year where capital works have been carried out under the Coast Protection Act 1949 or any earlier similar legislation, exclusive of those lengths owned and maintained by private interests or by public bodies other than councils.

### *39. Ships arriving at ports*

The estimated number of ships arriving at ports in the council area in the data year, excluding vessels employed in supply, dredging or dumping at sea (Department for Transport).

### *40. Dwellings*

The number of domestic hereditaments as at 31 July of the data year (Valuation Office Agency).

### *41. Food premises*

The number of business hereditaments falling within the classes Food (as defined by the Welsh Government and agreed by DSG (2000) Paper 55) as at 31 March of the data year (Valuation Office Agency).

### *42. Trading premises*

The number of business hereditaments classified as commercial, industrial and leisure properties as at 31 March of the data year (Valuation Office Agency) and the number of economically active farm holdings as at the June prior to the data year.

### *43. Land drainage levies*

The amounts levied on the council by the Internal Drainage Boards for the financial year taken from the Annual Reports for the IDBs provided to the Welsh Government.

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### *44. National park levies*

The amounts to be levied on councils by the National Park Authorities for the financial year stated. Where the levy is to be borne by more than one council, the apportionment is according to the percentages specified in the National Park Authorities (Levies) (Wales) Regulations 1995 (S.I. 1995/3019 as amended)<sup>1</sup>.

### *45. Deprivation Grant*

The former deprivation grant maintains a historic allocation based on the WIMD 2000.

### *46. Housing Benefit Recipients*

The number of Housing Benefit recipients by local authority taken from the Single Housing Benefit Extract (SHBE) from Department for Work and Pensions (DWP). An average of 24 months leading up to May of the data year are taken.

### *47. Council Tax Reduction Schemes - Expenditure*

The indicator is based on Council Tax Reduction Schemes Expenditure for the data year collected by the Local Taxation Policy and Council Tax Support Branch within Welsh Government.

### *48. Council Tax Reduction Schemes - Caseload*

The indicator is based on Council Tax Reduction Schemes Caseload for the data year collected by the Local Taxation Policy and Council Tax Support Branch within Welsh Government.

### *49. Welsh Independent Living Grant*

The indicator is based on local authority Welsh Independent Living Grant expenditure for the data year, collected by the Paying for Care Branch within Welsh Government.

<sup>1</sup> See (i) the National Park Authorities (Levies) (Wales) (Amendment) Regulations 1996 (S.I. 1996/2913); (ii) the National Park Authorities (Levies) (Wales) Amendment Regulations 2000 (S.I. 2000/244) (W. 2); the Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (S.I. 2001/3649); and (iv) the Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472).

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**Table 2: Sum to be added to the value calculated using the formula set out in Table 1 for debt financing and other items**

<i>County and county borough councils</i>	<b>£</b>
Isle of Anglesey	8,145,782
Gwynedd	14,731,145
Conwy	16,260,439
Denbighshire	12,894,162
Flintshire	15,054,948
Wrexham	13,913,733
Powys	17,552,725
Ceredigion	10,844,821
Pembrokeshire	15,166,433
Carmarthenshire	20,401,001
Swansea	24,071,699
Neath Port Talbot	15,217,672
Bridgend	15,465,023
The Vale of Glamorgan	11,355,830
Rhondda Cynon Taf	29,012,796
Merthyr Tydfil	6,393,167
Caerphilly	23,654,846
Blaenau Gwent	8,930,770
Torfaen	10,367,945
Monmouthshire	8,915,307
Newport	22,128,537
Cardiff	31,090,716
<b>Wales<sup>1</sup></b>	<b>351,569,497</b>

<sup>1</sup> Due to rounding, the sum of the debt financing and other items for all the county and county borough councils may not add to the Wales total.

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## Notes to Table 2

The sum shown for each council comprises the following items.

1. An adjustment in respect of the boundary changes that took place on 1 April 2005<sup>1</sup>, based on the transfers of total resident population between the areas affected as estimated using information from the 2001 Population Census.
2. Debt financing component of SSAs for councils. The components of debt financing are repayments and interest for pre- and post-31/04/04 debt and a reduction in respect of capital financing grants. The rate of repayment assumed is at 4 per cent and the rate of interest used is the pool rate of interest for 2018-19, which is calculated at 6.2 per cent. A detailed description of the calculation is given in paragraphs (a) to (f) below.

Note: In paragraphs (a) to (f) wherever information is only available for areas other than the areas of the councils, it is apportioned to the councils on the basis of the number of persons at 30 June of the year in question, estimated by the Registrar General as usually resident in the areas concerned, except where different apportionments have been agreed between specific councils (as notified by the Welsh Government).

(a) The amount of the notional credit ceiling in any one year is based upon that set out on the Capital Outturn Return (5) forms for 31 March 2004 reported during 2005 for the councils and fire authorities. The assumed credit ceilings are given in Table 3. An adjustment is made for two year supplementary credit approvals not wholly taken up in the first year of issue and notified to the National Assembly.

(b) Councils are assumed to repay 4 per cent of any notional credit ceiling as at the start of the settlement year on a reducing balance basis. New debt is added to the notional credit ceiling in each year equivalent to each authority's allocation of supported borrowing for the relevant year available to the Welsh Ministers when their calculations were made. This method of rolling forward the notional ceiling is set out in Distribution sub group paper 26 (2009).

(c) Interest payments on any notional credit ceiling in respect of (a), as reduced by the annual repayment described in (b), are determined as the result of applying the pool rate of interest to the average notional total credit ceiling during 2018-19.

(d) The capital-financing component of each council in respect of debts incurred is the sum of:

the repayments for 2018-19 described in (b) and the interest payments described in (c),

(e) The component in respect of pre-1990 leasing charges and attributed to councils is derived from information collected from local authorities to validate the leasing data

<sup>1</sup> The boundary changes made by the Neath Port Talbot and Powys (Cwmtwrch) Order 2004 (S.I. 2004/2746) (W. 244).

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provided on Revenue Outturn (RO) forms.

(f) The component in respect of capital financing grants from debts incurred on or before 31 March 1990 by probation committee areas and magistrate's court committee areas and attributed to councils is derived from information on the amount payable to each probation committee area and magistrate's court committee area in the year 2018-19, provided by the National Offender Management Service and HM Courts Service..

The debt-financing component of each council's SSA is the sum of the amounts described in (d) and (e), less the amount described in (f).

3. Funding for pre-determined commitments: Local Government Borrowing Initiative - Highways Improvement; Local Government Borrowing Initiative - 21st Century Schools; Asset Financing.



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**Table 3: Notional credit ceiling at 31 March 2004**

<i>County and county borough councils</i>	<b>Credit Ceiling</b>	
	£'000	£ per head of population <sup>1</sup>
Isle of Anglesey	74,510	1,093
Gwynedd	126,848	1,075
Conwy	103,051	926
Denbighshire	98,909	1,054
Flintshire	129,337	867
Wrexham	107,787	836
Powys	142,229	1,109
Ceredigion	78,589	1,040
Pembrokeshire	118,705	1,031
Carmarthenshire	171,392	973
Swansea	235,308	1,040
Neath Port Talbot	137,589	1,010
Bridgend	117,392	896
The Vale of Glamorgan	98,198	812
Rhondda Cynon Taff	239,134	1,029
Merthyr Tydfil	60,243	1,077
Caerphilly	152,277	889
Blaenau Gwent	91,140	1,317
Torfaen	96,562	1,064
Monmouthshire	70,115	810
Newport	138,990	999
Cardiff	283,897	906
<b>Wales</b>	<b>2,872,201</b>	<b>978</b>

*Notes: Figures include relevant apportionment of fire authority credit ceiling. Due to rounding, the credit ceiling for all the county and county borough councils may not add to the Wales total.*

<sup>1</sup> Population figures are 2003 Mid-Year Estimates

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**Table 4: Total standard spending assessments for each council**

<i>County and county borough councils</i>	<b>Standard spending assessment</b>	
	£	£ per head of population <sup>1</sup>
Isle of Anglesey	130,783,953	1,864
Gwynedd	233,057,753	1,885
Conwy	211,512,543	1,810
Denbighshire	188,664,529	1,975
Flintshire	262,515,601	1,694
Wrexham	236,407,426	1,692
Powys	245,163,619	1,858
Ceredigion	137,307,813	1,799
Pembrokeshire	224,827,404	1,812
Carmarthenshire	343,637,306	1,846
Swansea	423,555,232	1,730
Neath Port Talbot	267,516,974	1,893
Bridgend	253,528,869	1,775
Vale of Glamorgan	221,296,298	1,725
Rhondda Cynon Taf	451,939,908	1,895
Merthyr Tydfil	111,616,435	1,885
Caerphilly	337,287,572	1,863
Blaenau Gwent	133,729,007	1,926
Torfaen	169,846,590	1,846
Monmouthshire	146,427,484	1,576
Newport	280,105,448	1,883
Cardiff	607,285,070	1,655
<b>Wales</b>	<b>5,618,012,834</b>	<b>1,805</b>

*Notes: Due to rounding, SSA for all the county and county borough councils may not add to the Wales total*

<sup>1</sup> As defined in note 1 to Table 1

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## Annex 3: Glossary and Explanatory Notes

This glossary offers explanations of some of the key technical terms used in the report.

**Band D equivalent properties:** For the purposes of the council tax, each property has been given a valuation in terms of a band. These bands range from band A up to band I and the council tax bills for each band vary according to a set of multipliers. These multipliers vary from sixth ninths for a band A property to two and three-ninths for a band I property while the multiplier for a band D property is one. The number of band D equivalent properties in an authority is the total number of domestic dwellings expressed in terms of their relation to band D. For example, one band H property is equivalent to two band D properties, because it pays twice as much council tax.

**Billing Authorities** are local authorities empowered to set local charges and issue bills for the council tax and the non-domestic rates on behalf of itself and other authorities in the area. In Wales, the billing authorities are county and county borough councils.

**Council Tax Base** of an area is equal to the number of band D equivalent properties, after adjustment for discounts and exemptions. Discounts are available to people who live alone, and to owners of homes that are not anyone's main home. Council tax is not charged for certain properties, known as exempt properties, such as those lived in only by students. The description of how the tax-base is calculated and used in the calculation of RSG is at paragraph 3.5 in section 2 of this Report.

**Council Tax for Standard Spending** is the level of council tax for a band D property which would be charged in all parts of Wales if all councils and police force areas spent at the level of their SSA. This figure is used to work out how the amount of RSG payable to councils should be shared among them, and similarly how the amount of RSG payable to Police and Crime Commissioners should be shared out.

**Distribution Sub Group (DSG)** is a working group of the Partnership Council's Consultative Forum on Finance. Copies of its reports, remits and details of membership are available from the Welsh Government's Local Government Finance Division.

**Non-Domestic Rates** are the property tax paid by owners and occupiers of non-domestic property. All non-domestic rates are paid into a central pool administered by the Welsh Government for redistribution to Councils and Police and Crime Commissioners.

**Qualifications affecting council tax calculation** RSG is distributed to enable each council to set broadly the same council tax for dwellings listed in the same valuation band. For each council it is assumed that the council tax base used for RSG distribution is calculated in accordance with the relevant secondary legislation (The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 SI 1995/2561 (as amended))<sup>1</sup>.

<sup>1</sup> S.I. 1995/2561 and see the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 1999 (S.I. 1999/2935) (W. 27), the Local Authorities (Calculation of Council Tax Base) and the Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 (S.I. 2004/3094) (W.

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Secondly, it is assumed that the application of section 35 of the Local Government Finance Act 1992 (“special items”) will result in the same council tax for dwellings listed in the same valuation band across the whole of a council’s area.

**Receiving Authorities** are councils. RSG is paid to each receiving authority.

**Specified bodies** are bodies which provide services for local authorities and are specified in the Revenue Support Grant (Specified Bodies) (Wales) Regulations 2000 (S.I. 2000/718) (W. 25) (as amended)<sup>1</sup>.

**SSAs** (Standard Spending Assessments) are notional assessments for RSG distribution purposes of each council's need to spend on revenue services, excluding specific grants.

**Standard tax element** is the portion of the council tax for standard spending attributable to each class of receiving authority. It is a common figure for each authority within a class. The two classes of authorities in Wales are councils and Police and Crime Commissioners.

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268), the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016 SI 2016/969) (W. 238) (amendments in force from 28 October 2016).

<sup>1</sup> See the Revenue Support Grant (Specified Bodies) (Amendment) (Wales) Regulations 2003 (S.I. 2003/706) (W. 85) and the Revenue Support Grant (Specified Bodies) (Wales) (Amendment) Regulations 2006 (S.I. 2006/764) (W. 73).

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## **Annex 4: Statutory Basis for the Report**

1. The Local Government Finance Report is made under section 84G (Local government finance reports) of the Local Government Finance Act 1988 (“the 1988 Act”) as amended by the Local Government Act 2003 (“the 2003 Act”). Sections 84D to 84P were inserted into the 1988 Act by section 40 of and paragraph 1 of Schedule 2 to the 2003 Act. The report will have effect for the financial year 2018-19 if approved by resolution of the National Assembly for Wales.

### ***Amount of RSG and redistributed non-domestic rates***

2. Section 84F (Determination of grant) of the 1988 Act requires Welsh Ministers to determine the amount of RSG for each financial year; how much they propose to pay to receiving authorities (county and county borough councils) and how much they propose to pay to specified bodies.
3. Specified bodies are bodies which provide services for local authorities and are specified in Revenue Support Grant (Specified Bodies) (Wales) Regulations 2000 (as amended by the Revenue Support Grant (Specified Bodies) (Wales) (Amendment) Regulations 2003 (S.I. 2003/706) (W. 85) and the Revenue Support Grant (Specified Bodies) (Wales) (Amendment) Regulations 2006 (S.I. 2006/764) (W .73)).

### ***Basis of distributing RSG***

4. Section 84G requires Welsh Ministers to make a report setting out its determinations under section 84F and to specify the basis on which RSG is to be distributed amongst the receiving authorities and specified bodies.

### ***Redistributed non-domestic rates***

5. Paragraphs 9A, 11A, 11B, 11C and 14A were inserted into Schedule 8 to the 1988 Act. Paragraph 9A (Years where two local government finance reports prepared for Wales) requires the Welsh Ministers to specify in the first report the distributable amount from the non-domestic rating account. Under paragraph 11A (Distribution: local government finance reports) of the same Schedule the Welsh Ministers are required to set out in the report the basis (the basis of distribution) on which the distributable amount will be distributed among receiving authorities.