



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

CABINET WRITTEN STATEMENT

**TITLE: FINAL LOCAL GOVERNMENT REVENUE AND CAPITAL
SETTLEMENTS 2010-11**

DATE: 8 December 2009

**BY: BRIAN GIBBONS, MINISTER FOR SOCIAL JUSTICE AND LOCAL
GOVERNMENT**

Today I am announcing the details of the final revenue and capital settlements for the 22 unitary authorities in Wales for 2010-11.

The Overall Settlement

In preparing the final settlement I have given careful consideration to the responses I received through the consultation on the provisional settlement. I discussed the settlement with Welsh local government at the Partnership Council meeting on 12 November and with the Local Government Health and Well Being Committee at its meeting on October 14.

Next year, before accounting for transfers, local authorities in Wales will receive an average increase of 2.1% on the previous year's revenue settlement. This is broadly unchanged from the provisional settlement announcement I made on 13 October.

The final settlement confirms the inclusion of a floor mechanism to ensure that all authorities receive a minimum increase of 1 per cent.

Included in the final settlement are a further two specific grants in line with our commitment to reduce the amount of hypothecated funding provided outside the revenue support grant. This builds on the substantial funding identified in the provisional settlement as transferring in from specific grants. These are the Mental Health Carers Grant (£4 million) and the Fairer Charging Grant (£10.3 million).

The final settlement also reflects a reduction, equivalent to the amount transferred into the settlement in 2008-09, to meet local authorities' liabilities for court fees in child care proceedings. The detail on the future funding arrangements of court fees for 2010-11 onwards will be finalised as part of the Ministry of Justice response to the Plowden Review.

Specific Revenue Grants

I am also providing local authorities with details of the specific grants they can expect to receive in 2010-11 although details of a small number of post 16 education grants will not be available until early in the new year. Revenue Support Grant and Specific Grants taken together will provide authorities with a comprehensive picture of the funding the Assembly Government will provide in 2010-11, to allow them to budget effectively. In addition to the £4 billion authorities will receive through the settlement, they will also receive over £600 million in specific grants. Included within this are major grants for areas such as concessionary fares; waste management; Foundation Stage and Supporting People.

Distribution between Authorities

Table 1 attached details the distribution of the revenue settlement amongst the twenty two authorities. The introduction of the most up-to date taxbase figures provided by authorities have resulted in some minor changes to the

allocations for individual authorities compared with the provisional settlement. Also reflected in the final settlement allocations are some minor data updates and revisions.

Capital Settlement

With regard to the capital settlement, the capital allocation for 2010-11, including specific capital grants will be £576 million a revision down by £1 million on the provisional settlement figure.

The General Capital Fund totals some £217 million. This is unhypothecated capital funding of which £54 million is paid as capital grant, the remainder, some £162 million, is provided as support for borrowing.

Further detailed tables will be made available on the Welsh Assembly Government's internet site.

The overall package, as Local Government has acknowledged on the announcement of the provisional settlement, is fair but challenging in all the circumstances. It is essential that both the Assembly Government and Local Government now work together to seize the opportunity to establish better, more cost effective and innovative ways of delivering high quality services to the people of Wales in the far tougher public expenditure conditions that lie ahead. Our signing of the "New Understanding" on 12 November provides an excellent foundation for making progress.

The motion to the National Assembly for Wales to approve the local government finance report for 2010-11 is due to be debated on the 12th January.

WELSH LOCAL GOVERNMENT SETTLEMENT 2010-11

Final

Table 1: Increase in AEF

Local Authority	2009-10 Final AEF ¹	2010 - 11 Final AEF	% increase
ISLE OF ANGLESEY	93,658	94,594	1.0%
GWYNEDD	168,136	169,919	1.1%
CONWY	144,705	146,350	1.1%
DENBIGHSHIRE	134,916	138,107	2.4%
FLINTSHIRE	183,765	187,212	1.9%
WREXHAM	157,473	162,408	3.1%
POWYS	179,361	181,155	1.0%
CEREDIGION	99,091	101,175	2.1%
PEMBROKESHIRE	160,076	162,282	1.4%
CARMARTHENSHIRE	247,428	251,818	1.8%
SWANSEA	296,439	301,929	1.9%
NEATH PORT TALBOT	195,474	198,934	1.8%
BRIDGEND	176,143	180,750	2.6%
THE VALE OF GLAMORGAN	148,901	152,428	2.4%
RHONDDA CYNON TAFF	340,377	348,900	2.5%
MERTHYR TYDFIL	85,604	87,296	2.0%
CAERPHILLY	248,526	254,184	2.3%
BLAENAU GWENT	108,027	109,702	1.6%
TORFAEN	128,974	131,146	1.7%
MONMOUTHSHIRE	97,596	98,697	1.1%
NEWPORT	190,879	196,796	3.1%
CARDIFF	383,577	394,809	2.9%
Wales	3,969,129	4,050,591	2.1%

Note 1: The published AEF is subject to a number of adjustments to make it comparable to 10-11 allocations. Firstly the allocations are rerun with the 10-11 taxbase so that the floor mechanism does not compensate authorities for changes in the balance of funding. Secondly it is adjusted for transfers in of £49.522m and transfers out of £3.708m which are expressed in 2009-10 prices.