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| WRITTEN STATEMENTBYTHE WELSH GOVERNMENT |

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| **Title** | **Final Local Government Settlement 2017-18** |
| **Date** | **21 December 2016** |
| **By** | **Mark Drakeford AM**  **Cabinet Secretary for Finance and Local Government** |

Following my 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 2017-18. These include 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. I am confident the settlement provides councils with a robust basis for their financial planning for the coming financial year.

For 2017-18 I am setting local government revenue funding at £4.114 billion. This represents an increase of £10 million compared to 2016-17, after adjusting for transfers, and an increase of £6 million on the funding I announced in October.

This is a good settlement for local government particularly given the many competing pressures on the Welsh Budget.

In addition to the funding set out in the provisional settlement I announced on 19 October, I have included a further £6 million in the final settlement for work to support the prevention of homelessness. I have also included top-up funding to ensure that no authority experiences a reduction of more than 0.5% in its general funding allocation.

Separately, the final budget contains an additional £10 million in recognition of the particular financial challenges arising from domiciliary care provision including workforce pressures.

I am also providing an additional £10 million for non-domestic rates relief in 2017-18. This will be channelled through local authorities and will be targeted at businesses on the high street.

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 in Wales, which is not available to their counterparts in England, 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 2017-18. 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 2017-18.

**Capital settlement**

Capital funding for 2017-18 amounts to £433 million. Within this, General Capital Funding for 2017-18 is unchanged at £143 million.

The motion for the National Assembly for Wales to approve the Local Government Finance Report for 2017-18 is scheduled for debate on 17 January 2017.

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.

**Table 1: 2017-18 final settlement – comparison of the 2016-17 AEF including top-up funding (adjusted for transfers and tax‑base changes) and the 2017-18 final AEF and top-up funding**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ***£000s*** |
| **Unitary authority** |  | **2016-17**  **adjusted AEF plus top-up funding1** |  | **Of which top-up funding** |  | **2017-18 final AEF** |  | **2017-18 top-up**  **funding** |  | **2017-18**  **final AEF plus top‑up funding2** |  | **% change on adjusted 2016-17 AEF plus top-up funding** |  | **Rank** |  | **Council Tax Reduction Schemes (distributed within AEF)** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Isle of Anglesey |  | 92,222 |  | 0 |  | 92,652 |  | 0 |  | 92,652 |  | **0.5%** |  | 8 |  | 5,165 |
| Gwynedd |  | 167,155 |  | 0 |  | 168,964 |  | 0 |  | 168,964 |  | **1.1%** |  | 1 |  | 8,949 |
| Conwy |  | 149,793 |  | 0 |  | 150,557 |  | 0 |  | 150,557 |  | **0.5%** |  | 7 |  | 8,936 |
| Denbighshire |  | 139,608 |  | 0 |  | 140,474 |  | 0 |  | 140,474 |  | **0.6%** |  | 5 |  | 9,323 |
| Flintshire |  | 184,722 |  | 0 |  | 185,033 |  | 0 |  | 185,033 |  | **0.2%** |  | 11 |  | 9,651 |
| Wrexham |  | 170,222 |  | 0 |  | 169,447 |  | 0 |  | 169,447 |  | **-0.5%** |  | 20 |  | 9,748 |
| Powys |  | 170,882 |  | 1,952 |  | 168,791 |  | 1,237 |  | 170,028 |  | **-0.5%** |  | 21 |  | 8,073 |
| Ceredigion |  | 97,034 |  | 436 |  | 97,937 |  | 0 |  | 97,937 |  | **0.9%** |  | 2 |  | 4,773 |
| Pembrokeshire |  | 156,973 |  | 0 |  | 156,776 |  | 0 |  | 156,776 |  | **-0.1%** |  | 16 |  | 6,984 |
| Carmarthenshire |  | 251,724 |  | 0 |  | 252,176 |  | 0 |  | 252,176 |  | **0.2%** |  | 10 |  | 14,007 |
| Swansea |  | 308,411 |  | 0 |  | 310,701 |  | 0 |  | 310,701 |  | **0.7%** |  | 4 |  | 19,063 |
| Neath Port Talbot |  | 206,003 |  | 0 |  | 207,571 |  | 0 |  | 207,571 |  | **0.8%** |  | 3 |  | 16,242 |
| Bridgend |  | 187,452 |  | 0 |  | 187,638 |  | 0 |  | 187,638 |  | **0.1%** |  | 12 |  | 12,926 |
| The Vale Of Glamorgan |  | 149,851 |  | 0 |  | 149,554 |  | 0 |  | 149,554 |  | **-0.2%** |  | 17 |  | 8,883 |
| Rhondda Cynon Taf |  | 353,882 |  | 0 |  | 355,447 |  | 0 |  | 355,447 |  | **0.4%** |  | 9 |  | 22,082 |
| Merthyr Tydfil |  | 89,209 |  | 0 |  | 88,372 |  | 391 |  | 88,763 |  | **-0.5%** |  | 21 |  | 5,718 |
| Caerphilly |  | 263,849 |  | 0 |  | 263,627 |  | 0 |  | 263,627 |  | **-0.1%** |  | 15 |  | 13,574 |
| Blaenau Gwent |  | 109,387 |  | 0 |  | 108,979 |  | 0 |  | 108,979 |  | **-0.4%** |  | 19 |  | 8,165 |
| Torfaen |  | 129,407 |  | 0 |  | 129,031 |  | 0 |  | 129,031 |  | **-0.3%** |  | 18 |  | 7,994 |
| Monmouthshire |  | 91,786 |  | 111 |  | 91,799 |  | 0 |  | 91,799 |  | **0.0%** |  | 14 |  | 5,731 |
| Newport |  | 208,142 |  | 0 |  | 208,250 |  | 0 |  | 208,250 |  | **0.1%** |  | 13 |  | 10,339 |
| Cardiff |  | 425,919 |  | 0 |  | 428,217 |  | 0 |  | 428,217 |  | **0.5%** |  | 6 |  | 27,673 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **All Unitary Authorities** |  | **4,103,632** |  | **2,499** |  | **4,111,993** |  | **1,628** |  | **4,113,620** |  | **0.2%** |  |  |  | **244,000** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. 2016-17 AEF adjusted for latest tax base, transfers of £3.1m into and £1m out of the Settlement and inclusive of £2.5m of top-up funding provided in 2016-17.

2. 2017-18 final AEF including £1.6m top-up funding.