

Final Local Government Revenue and Capital Settlements 2008-2009

22 January 2008

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 2008-09.

The Overall Settlement

Next year, after adjusting for transfers, local authorities in Wales will receive an average increase of just over 2.4% on the previous year's revenue settlement.

As a result of an additional £4.7million, the settlement will guarantee that no council in Wales will receive an increase in aggregate external finance below 2%.

In preparing the final settlement I given careful consideration to the responses I received through the consultation on the provisional settlement. I have also met with the representatives of those authorities who wished to make representations in person.

Specific Revenue Grants

As with the provisional settlement, I am also providing local authorities with details of the other specific grants they can expect to receive next year. This will provide authorities with a more comprehensive picture of the funding the Assembly Government will provide in 2008-09, to allow them to budget effectively. The information I am making available shows that, in addition to the £3.8 billion authorities will receive through the settlement, they will also receive £642 million in specific grants. This includes the post 16 education grants.

When hypothecated and unhypothecated funding are taken together they represent an increase of 3.3% cash for unitary authorities.

Distribution between Authorities

Table 1 attached details the distribution of the revenue settlement. The additional money added to the settlement to fund the floor mechanism (£4.7 million) and additional amounts for the childcare element of the Cymorth grant (£1.1million) and responsibilities for stray dogs (£0.326 million) have largely increased allocations. The introduction of actual taxbase figures provided by authorities and other data updates and revisions have resulted in some changes to the allocations for individual authorities compared with the provisional settlement.

Capital Settlement

With regard to the capital settlement, the capital allocation for 2008-09, including specific capital will be £648 million, an increase of 2.6% on a like-for-like comparison with the current year.

The General Capital Fund totals some £217.4 million. This is unhypothecated capital funding of which £54 million is paid as capital grant, the remainder, some £163.4 million, is provided as support for borrowing (formerly credit approvals).

In conclusion I believe this to be a fair and reasonable settlement for local authorities. I have given careful consideration to the responses to the consultation on the provisional settlement.

I am confident that unitary authorities will be as reasonable in setting their budgets as they have been over the last three years. It is my view that council tax increases should not exceed 5% in 2008-2009. I will monitor the position carefully and will take appropriate action to keep council tax increases to reasonable levels if it is necessary to do so.

I will now proceed to lay the local government finance report for 2008-09 for approval by the Assembly on the 29th January.

WELSH LOCAL GOVERNMENT SETTLEMENT 2008-09

Final

Table 1: Increase in AEF

	£000s		
	Final AEF 2008-09		
	Adjusted 2007-08¹		
	AEF	AEF	% increase
Isle of Anglesey	89,494	91,284	2.0%
Gwynedd	160,106	163,320	2.0%
Conwy	138,293	141,059	2.0%
Denbighshire	126,390	129,125	2.2%
Flintshire	172,140	176,723	2.7%
Wrexham	147,287	150,414	2.1%
Powys	171,877	175,314	2.0%
Ceredigion	93,804	95,680	2.0%
Pembrokeshire	151,451	154,480	2.0%
Carmarthenshire	228,748	235,159	2.8%
Swansea	278,589	285,600	2.5%
Neath Port Talbot	183,640	187,855	2.3%
Bridgend	162,645	167,569	3.0%
The Vale of Glamorgan	137,030	142,155	3.7%
Rhondda, Cynon, Taff	320,573	328,247	2.4%
Merthyr Tydfil	79,208	81,222	2.5%
Caerphilly	231,674	238,072	2.8%
Blaenau Gwent	100,993	103,012	2.0%
Torfaen	122,328	125,043	2.2%
Monmouthshire	91,754	93,766	2.2%
Newport	181,014	184,701	2.0%
Cardiff	354,504	364,751	2.9%
Wales	3,723,542	3,814,554	2.4%

Notes:

¹ AEF as set out in the final LGF Report (No 1) 2007-08 adjusted for transfers into and out of the the settlement.