

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

COUNCIL

REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

18 October 2017

MATTER FOR INFORMATION

WARDS AFFECTED – ALL

PROVISIONAL LOCAL GOVERNMENT SETTLEMENT 2018-19

Purpose of Report

1. To provide Members with details of the 2018-19 Provisional Local Government Settlement announcement.

Welsh Government Announcement

2. The Cabinet Secretary for Finance and Local Government published the Welsh Government's Provisional Local Government Settlement on 10 October 2017.
3. The headlines are that for 2018-19 the Welsh Government will provide funding of £4.205bn to run local authority services across Wales. This represents an average reduction of -0.5% and is inclusive of a new funding provision of £6m for Homelessness responsibilities. The Cabinet Secretary also announced that Local Authorities should plan on a further reduction of -1.5% for 2019-20.
4. The Neath Port Talbot Council share of the total funds available amounts to £210.832m. This is a reduction of -0.4% on the current year, it is the 11th best settlement in Wales and slightly better than the Welsh average. Cardiff Council receives the best settlement with an increase of +0.2% (the only Council to receive an increase in its funding). The Welsh Government also reported that 6 Councils will receive a funding floor which limits their funding reduction to -1.0% at a cost of £1.8m. Attached at Appendix 1 is a schedule of the funding provided to all Local Authorities.

Grants Transferring into the Settlement and New Monies

5. The settlement includes a number of specific grants, which total over £91m, that are transferring into the settlement. This is welcomed by the Council as it will reduce bureaucracy and increase value for money. The following table illustrates the position for Neath Port Talbot and the whole of Wales.

Grant	NPT	All Wales
	£'000	£'000
ENV – Waste element of the Single Environment Grant	1,477	35,000
SS – Welsh Independent Living Grant	1,273	26,889
SS – Social Care Workforce Grant	948	19,000
SS – Looked after Children Grant	363	7,415
SS – Carers Respite Care Grant	150	3,000
Social Care for Prisoners in the Secure Estate	0	412
Total	4,211	91,716
New Monies & Responsibilities		
SS – Homelessness	285	6,000

Other Information

6. The Cabinet Secretary also announced that the Welsh Government will provide £600k alongside the settlement to support local government to eliminate charging for child burials. It is expected that in 2018-19 this will be paid as a specific grant and we are awaiting final details of the proposal, which will then be reported to members upon receipt.
7. In a separate communication the Welsh Government have informed Councils that they are to announce changes to increase the capital limits below which residential care users do not contribute towards their service provision. The current limit is £30k. This information is expected prior to the Final Local Government Settlement announcement with consequential funding built in at that time. Members will recall that for April 2017 WG increased the capital limit from £24k to £30k and during the current year NPT is receiving £230k out of an all Wales funding provision of £4.5m.

Provisional Settlement Consultation and Council Tax Base

8. The Provisional Settlement is out for consultation for responses by 21 November 2017. Some changes are likely for the final settlement and in particular they will arise when each Council confirm their 2018-19 Council Tax base due to be calculated as at 31 October 2017.

Specific Grants

9. The Welsh Government has transferred over £91m into the general settlement. Further details of Specific Grants have not yet been announced but are expected on 24 October 2017 when the Welsh Government is due to publish its detailed budget.

Capital Settlement

10. The Cabinet Secretary has confirmed that the total amount of General Capital funding available to Local Authorities will remain at £142.837m for the next 3 years, with £54m provided as a capital grant and £88.8m via supported borrowing. Of this, NPT will receive £7.125m which is a reduction of £6k on the current year. Details of other Capital Grants that the Authority will be able to receive a share of or bid for are expected on 24 October. In the current year the total amount of these other capital grants available total circa £300m.

Summary

11. This is a better settlement than what was originally expected but with a cash settlement reflecting a cut in funding by -0.4% i.e. less than the current year the Council will face a number of number of challenges in setting a balanced budget. The Final Budget decisions will be taken in February 2018.
12. The Final Local Government Settlement is due to be announced on the 20th December 2017 and will take account of the 2018-19 Council Tax Base for each Council together with any other changes arising from the consultation process and other announcements.
13. As members are aware this report is presented for information. Consideration on the impact of the settlement on the Council's 2018-19 Draft Budget and Forward Financial Plan will take place in a report to Cabinet and its Scrutiny Committee on the 8 November

2017. Following this meeting the Council will commence its public consultation on the Budget and members will further scrutinise over the winter period the budget proposals through the relevant Scrutiny Committees prior to final determination in February 2018.

Risk Management

14. The Council's Budget and Funding Settlements are included in the Council's Corporate Risk Register. Appropriate consultation with stakeholders will take place on new income generation and budget savings proposals.

Consultation

15. There is no requirement under the Constitution for external consultation on this item. The Council's Draft Budget will be subject to public consultation following consideration by Cabinet in November 2017.

Recommendations

16. This report is for information.

List of Background Papers

17. Welsh Government Provisional Settlement Announcement.

Appendix

18. Appendix 1 - 2018-19 provisional settlement funding table.

Officer Contact

19. For further information on this report item, please contact:

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Appendix 1

2018-19 provisional settlement funding table

£000s

Unitary authority	2017-18 adjusted AEF plus top-up funding ¹	Of which top-up funding	2018-19 provisional AEF	2018-19 top-up funding	2018-19 provisional AEF plus top-up funding ²	% change on adjusted 2017-18 AEF plus top-up funding	Rank	Council Tax Reduction Schemes (distributed within AEF)
Isle of Anglesey	94,978	0	94,924	0	94,924	-0.1%	2	5,187
Gwynedd	174,043	0	173,859	0	173,859	-0.1%	4	8,926
Conwy	154,313	0	152,405	365	152,770	-1.0%	17	8,976
Denbighshire	143,409	0	142,144	0	142,144	-0.9%	15	9,172
Flintshire	189,519	0	187,816	0	187,816	-0.9%	16	9,761
Wrexham	174,049	0	173,485	0	173,485	-0.3%	8	9,672
Powys	174,388	1,237	172,500	145	172,644	-1.0%	17	8,043
Ceredigion	100,200	0	99,905	0	99,905	-0.3%	7	4,881
Pembrokeshire	160,765	0	160,084	0	160,084	-0.4%	9	7,077
Carmarthenshire	259,147	0	257,960	0	257,960	-0.5%	12	14,249
Swansea	316,776	0	316,499	0	316,499	-0.1%	3	19,180
Neath Port Talbot	211,783	0	210,832	0	210,832	-0.4%	11	16,300
Bridgend	191,878	0	190,718	0	190,718	-0.6%	13	12,907
The Vale Of Glamorgan	152,666	0	151,996	0	151,996	-0.4%	10	9,063
Rhondda Cynon Taf	362,790	0	362,219	0	362,219	-0.2%	5	21,772
Merthyr Tydfil	90,589	391	89,656	27	89,683	-1.0%	17	5,643
Caerphilly	268,282	0	265,493	107	265,600	-1.0%	17	13,302
Blaenau Gwent	110,870	0	108,871	890	109,761	-1.0%	17	8,261
Torfaen	131,805	0	130,800	0	130,800	-0.8%	14	7,996
Monmouthshire	93,939	0	92,761	238	93,000	-1.0%	17	5,649
Newport	212,234	0	211,682	0	211,682	-0.3%	6	10,362
Cardiff	436,913	0	437,867	0	437,867	0.2%	1	27,619
All Unitary Authorities	4,205,337	1,628	4,184,476	1,772	4,186,247	-0.5%		244,000