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Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government



Llywodraeth Cymru
Welsh Government

Our ref: MA/JJ/0597/20

To:
Leaders of County and County Borough Councils in Wales

Copied to:
Chief Executives and Directors of Finance, County and County Borough Councils in Wales
Chief Executive and Director of Finance, Welsh Local Government Association

25 February 2020

Dear Colleagues

Today I am announcing details of the Final Local Government Revenue and Capital Settlements for 2020-21 for county and county borough councils in Wales through a Cabinet Written Statement. This is attached for your information.

This announcement confirms my intention to set local government core revenue funding for 2020-21 at £4.474 billion. This means, after adjusting for transfers, overall core funding for local government in 2020-21 will increase by 4.3 per cent on a like-for-like basis compared to the current year.

The responses to the consultation on the provisional settlement have been carefully considered before determining the final settlement. The responses did not identify any matters which required a change of approach for the final settlement.

I have given careful consideration to the potential of including a funding floor for this settlement but, as discussed at the Finance Sub Group meeting on 5 February, given the uncertainty surrounding this year's budget, we decided to allocate all available funding at the provisional stage. Given, also, that through this settlement every authority will see an increase of at least 3% over 2019-20 on a like-for-like basis, I have decided not to include a funding floor in this instance.

The non-hypothecated general capital funding for 2020-21 will remain at £198 million (including £20 million for public highways refurbishment grant). I hope that this funding will enable you to respond to the urgent need to decarbonise, in light of the climate emergency declared by the Welsh Government and many councils over the past year.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The final *Local Government Finance Report* and additional tables containing details of the final settlement by individual authority are also being published on the Welsh Government website. In addition to the information published alongside the provisional settlement, my officials have been working closely with the Distribution Sub Group (DSG) to produce a table that seeks to explain the variance by looking at the components of change within the model. This will be published alongside the final settlement.

Local authorities are reminded of the requirement to comply with the general equality duties set out in the Equality Act 2010, and also the specific equality duties where applicable. The equality impacts of budgetary options should be assessed and inform any final decisions.

Authorities also need to take account of your duties under the Well-being of Future Generations (Wales) Act 2015 and the Welsh language standards in preparing plans for 2020-21.

This final settlement provides you with the information you need to plan your budgets and services for 2020-21 as part of your medium term financial plans.

We will continue our positive engagement with local government on all matters finance-related through the Finance Sub Group.

The Government will now proceed to lay the Local Government Finance Report No 1 for 2020-21 for debate in the Senedd on 3 March 2020.

Yours sincerely



Julie James AC/AM

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