



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE Final Local Government Settlement 2020-21

DATE 25 February 2020

BY Julie James, AM
Minister for Housing and Local Government

Following today's announcement of the Welsh Government's Final Budget, I am publishing details of the core funding allocations for local authorities for the forthcoming financial year through the 2020-21 Final Local Government Revenue and Capital Settlements.

In preparing the final settlement, I have given careful consideration to the responses I received to the consultation on the provisional settlement, which closed on 3 February. The responses did not identify any matters which required a change of approach for the final settlement. I can, therefore, confirm my intention to set local government core revenue funding for 2020-21 at £4.474 billion. Adjusting for transfers, the core revenue funding for local government in 2020-21 will increase by 4.3% on a like-for-like basis compared to the current year.

I have given careful consideration to the potential of including a funding floor for this settlement. 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.

In addition to the core unhyponothecated funding delivered through the settlement, I am publishing updated information on revenue and capital grants planned for 2020-21. These amount to over £1 billion for revenue and over £580 million for capital.

This settlement provides local government with the most stable platform I can offer for budget-setting for the forthcoming financial year. I fully appreciate the pressures local government continues to face following a decade of austerity. This is a good settlement that responds to the pressures local government had been anticipating and offers an opportunity to plan for the future.

Attached to this statement is a summary table setting out the settlement allocations by authority. As a result of the formula and related data that has been agreed with local government, the table shows the range of the funding allocations, from a 3% increase over the 2019-20 settlement to a 5.4% increase.

Further details on the settlement will be sent to all local authorities and published on the Welsh Government's website:

<https://gov.wales/local-government-revenue-and-capital-settlement-final-2020-2021>

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.

I know that authorities will have already made tough choices in setting their budgets. The setting of budgets, and in turn council tax, is the responsibility of each local authority and authorities will need to take account of the full range of sources of funding available to them, as well as the pressures they face, in setting their budgets for the coming year.

The motion for the Senedd to approve the Local Government Finance Report for 2020-21 is scheduled for debate on 3 March 2020.

SUMMARY TABLE

2020-21 final settlement – comparison of 2019-20 AEF including floor funding (adjusted for transfers) and the 2020-21 final AEF, and distribution of the 2020-21 Council Tax Reduction Schemes funding (distributed within AEF)

£000s

Unitary authority	2019-20 adjusted AEF plus floor funding ¹	Of which floor funding	2020-21 final AEF	% change on adjusted 2019-20 AEF plus floor funding	Rank	Council Tax Reduction Schemes (within AEF)
Isle of Anglesey	97,324	269	101,005	3.8%	18	5,037
Gwynedd	179,375	0	187,579	4.6%	6	8,728
Conwy	156,064	691	161,398	3.4%	21	8,964
Denbighshire	145,713	0	151,932	4.3%	11	8,935
Flintshire	192,212	537	199,386	3.7%	19	9,463
Wrexham	178,121	0	184,296	3.5%	20	9,298
Powys	176,940	1,214	184,289	4.2%	14	8,349
Ceredigion	103,308	0	107,646	4.2%	13	5,061
Pembrokeshire	164,153	0	172,204	4.9%	3	7,984
Carmarthenshire	262,611	0	274,159	4.4%	10	14,134
Swansea	325,697	0	339,381	4.2%	12	19,012
Neath Port Talbot	217,091	0	226,762	4.5%	8	16,201
Bridgend	193,949	0	203,127	4.7%	5	13,184
The Vale Of Glamorgan	153,453	0	161,021	4.9%	2	9,053
Rhondda Cynon Taf	372,105	0	388,666	4.5%	9	21,564
Merthyr Tydfil	92,332	0	96,810	4.8%	4	5,611
Caerphilly	272,212	0	283,367	4.1%	16	12,916
Blaenau Gwent	111,727	0	116,063	3.9%	17	8,079
Torfaen	134,373	0	140,467	4.5%	7	8,234
Monmouthshire	94,896	759	97,760	3.0%	22	5,766
Newport	216,443	0	228,077	5.4%	1	10,212
Cardiff	450,512	0	469,047	4.1%	15	28,215
All Unitary Authorities	4,290,612	3,470	4,474,444	4.3%		244,000

Note: Total may not sum correctly due to rounding

1. 2019-20 AEF adjusted transfers of £53.181m (at 2019-20 prices) into the Settlement and inclusive of £3.47m of floor funding provided in 2019-20