

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 20 NOVEMBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **PROVISIONAL SETTLEMENT 2013/14**

### **1.00 PURPOSE OF REPORT**

1.01 To provide Cabinet with details of the Provisional Welsh Local Government Settlement 2013/14.

### **2.00 BACKGROUND**

2.01 The Provisional Local Government Settlement for 2013/14 was announced by the Welsh Government on 16<sup>th</sup> October 2012.

2.02 At this stage figures are provisional only. The final settlement date has provisionally been set for 6th December 2012.

### **3.00 LOCAL GOVERNMENT PROVISIONAL SETTLEMENT 2013/14**

#### **Revenue Settlement**

#### **3.01 Aggregate External Finance (AEF)**

The Council's allocation of Aggregate External Finance (AEF) (made up of Revenue Support Grant and National Non Domestic Rates) has increased by 1.15% after adjusting for transfers and new responsibilities. Across Wales, there is an overall increase in Aggregate External Finance (AEF) of 1.22%.

3.02 Flintshire's allocation of AEF is £199.651m and this equates to £1,321 per capita, ranking Flintshire 18th out of the 22 authorities in Wales.

3.03 AEF provides around 75% of the Council's revenue funding with the remainder being raised from Council Tax. The increase of 1.15% after transfers compares to the increase before transfers of 1.1% provided previously by WG as a forward projection and which is included within the Council's Medium Term Financial Plan. Work is being undertaken to evaluate the impact of the transfers and new responsibilities on budget projections.

### 3.04 **Standard Spending Assessment (SSA)**

Flintshire's SSA has increased by 6.7% to £259.255m. This increase takes account of the transfers into the settlement and the significant new responsibility in relation to the Council Tax Support Scheme which brings in funding previously met by the Department for Works and Pensions (DWP).

### 3.05 **Transfer into the Settlement**

The Settlement notified of the following eight transfers into the Settlement:-

- Learning Disabilities Settlement Grant (£1.618m)
- Post 16 SEN Special Schools – Out of County (£1.335m)
- School Breakfasts Grant (£0.746m)
- Local Government Borrowing Initiative (£0.385m)
- School Counselling Grant (£0.224m)
- Post 16 SEN in Mainstream (£0.126m)
- Appetite for Life Grant (£0.121m)
- Blue Badge Scheme Grant (£0.018m)

### 3.06 **New Responsibilities**

There is one significant new responsibility identified in the Settlement in relation to the Council Tax Support Scheme. The provisional amount allocated to fund this role is £8.823m (of the £214m across Wales). This may be subject to change in the Final Settlement when data changes are confirmed and is dependent on the funding to be announced by the Chancellor in the Autumn Statement on 5<sup>th</sup> December 2012. There also continues to be ongoing discussion on whether the funding should be included in the RSG or be a specific grant.

### 3.07 **Regional Collaboration Fund**

The provisional settlement advised that across Wales £10.174 million has been taken out of the settlement ("top sliced") to form a new specific grant for regional collaboration, which is equivalent to 0.25% of the 2013-14 AEF (before adding in transfers and new responsibilities).

No details are available as yet as to how this fund can be accessed although the settlement tables set out a possible allocation to six regions.

### 3.08 **Protection for Schools**

The settlement includes protection for education funding equivalent to 1% above the uplift for the Assembly Government's revenue funding allocation from the UK Government which equates to a 2.08% uplift. By way of a monitoring mechanism, all councils were required to complete a standard proforma for the 2011/12 and 2012/13 budget rounds to evidence that this protection had been included in individual authority budgets. It is anticipated that this will be the case again for 2013/14.

### 3.09 **Recognition of Social Care Pressures**

The settlement also includes 1% protection for social services in recognition of the increasing costs and demand led demographic pressures. However, unlike the position for schools, there has been no formal monitoring mechanism put in place for the last two years, and it is anticipated that this will be the case again for 2013/14.

### 3.10 **Specific Grants - Revenue**

The settlement only provides limited details on the amounts to be received in respect of specific grants. However, it is anticipated that the majority of grants currently received will continue, although this will continue to be very closely monitored, in terms of the availability of grants and the amounts to be provided.

### 3.11 **Unhypothecated Grants**

The value of the Outcome Agreement Grant at the all Wales level has remained at £31.1m. Flintshire's allocation, subject to performance, is £1.467m, a reduction of £0.008m on 2012/13.

### **Capital Settlement**

3.12 For Flintshire, overall general capital funding has decreased by £0.995m (12.7%) to £6.868m. This relates to a reduction of £0.959m for Unhypothecated Supported Borrowing and a reduction in General Capital Grant of £0.036m. The level of funding allocated is £0.009m less than had previously been indicated assumed for budget planning purposes.

3.13 In addition to general capital funding, there will be specific capital grants. No details are available for Flintshire at this stage.

### **Consultation Period**

3.14 The formal consultation period on the Provisional Settlement runs from 17<sup>th</sup> October 2012 to 16<sup>th</sup> November 2012. A copy of the Council's response will be tabled at the Cabinet Meeting given the timing of the closing date for consultation responses and the Cabinet Meeting.

## 4.00 **RECOMMENDATIONS**

4.01 Members are requested to note the details of the Welsh Local Government Provisional Settlement 2013/14 and the Council's response.

## 5.00 **FINANCIAL IMPLICATIONS**

5.01 As set out in the report.

**6.00 ANTI POVERTY IMPACT**

6.01 None directly as a result of this report.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None directly as a result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None directly as a result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None directly as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.00 None directly as a result of this report.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None directly as a result of this report.

**12.00 APPENDICES**

12.01 None.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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