



Local Government Provisional Settlement 2016/17

Implications for Flintshire
Cabinet Briefing
December 2015





Settlement Context

- » Welsh macro-budget* announced on 8 December in the context of a 4.5% reduction over 4 years based on the Chancellor's Comprehensive Spending Review
- » Local Government Provisional Settlement* announced on 9 December
- » Settlement open for consultation until 20 January
- » Announcement of new or extended ring-fenced budgets for Health and Health and Social Care

* full background papers available on Welsh Government website



Settlement Headlines

- » A one year settlement only
- » Average reduction to Aggregate External Finance (AEF) for local government of -1.4% (North Wales range of -1.2 to -2.2%)
- » Some base protection for Schools and Social Services
- » List of many specific grants published
- » Protection for Supporting People and increase in Pupil Deprivation Grant
- » Above average reductions in Single Environment Grant and Families First
- » Capital Funding set at 2015/16 level



Flintshire Position in the Settlement

- » Ranked 12th of 22 in being at a -1.5% AEF reduction (0.1% above the average reduction of -1.4%)
- » Ranked 19th of 22 per capita on AEF at £1,196 per capita. The Welsh average is £1,309 per capita with the highest, Blaenau Gwent, being £1,576 per capita. Flintshire is £113 below the per capita average. If Flintshire received the average the Council's AEF would be £17.455M per annum higher



Known Impacts for Flintshire 1

- » Reduction of -1.5% in AEF; an improved position of £3.770M against the forecast when combining the recovery of RSG (£3.370M) and an increase in the Council Tax base (£0.400M)
- » Many specific grants at same level or a marginal reduction from 2015/16
- » -6.4% in the new Single Environment Grant which includes the former Sustainable Waste Management Grant (£0.201M)
- » -11.7% reduction on Families First Grant (£0.203M)



Known Impacts for Flintshire 2

- » Supporting People Grant protected (*analysis of level of protection and distribution across Wales ongoing*)
- » Former Outcome Agreement Grant ended and incorporated into the Settlement at full value (£1.479M)
- » Impacts of other movements into the Settlement under review
- » Increase in Pupil Deprivation Grant from £1,050 to £1,150 per eligible pupil (£0.250M)
- » Capital reduction of £0.143M (-2.08%)



Ongoing Local Budget Work

- » Reassessing the 2016/17 budget 'gap' for 2016/17 based on the Settlement benefits and risks, and a recalculation of emerging financial pressures
- » Report to Cabinet and then CROSC in January on the revised budget position with 'fall back' options to move towards balancing the budget
- » Re-profile the Medium Term Financial Strategy (MTFS) noting that this is a one year Settlement only



Ongoing National Budget Work

- » Work through the Welsh Local Government Association to secure access to a proportion of the new funds for NHS and Social Care to help alleviate the cost pressures in Social Care in 2016/17
- » Apply for an exemption on social care charging caps to introduce a cost recovery plan within 2016/17
- » Press the Welsh Government to honour its commitment to review the Council Tax Reduction Scheme (CTRS) and to place it on a financially sustainable footing from 2017/18
- » Make a formal response to the Settlement consultation



Timescale for Phasing the Budget

- » Complete the current Overview and Scrutiny round of meetings on the first two parts of the proposed budget
- » Cabinet reappraisal report in January with further options to close the remaining budget 'gap'
- » Further Cabinet and Overview and Scrutiny Committee rounds leading to a final Council decision on the total budget, and Council Tax level, by 10th March
- » Council dates provisionally in the diary for 26 January, 16 February and 10 March