



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 15 th November 2016
Report Subject	Welsh Local Government Provisional Settlement 2017/18
Report Author	Chief Executive and Corporate Finance Manager

EXECUTIVE SUMMARY

The attached report provides a summary of the Provisional Welsh Local Government Financial Settlement announced as part of the budget of the Welsh Government for 2017/18 on 19th October 2016. The consultation period for the provisional settlement is open until 30th November 2016. At this stage the figures are provisional with the Final Settlement expected to be received on 21 December 2016.

The impacts of the Provisional Settlement are analysed in a separate agenda item on the Council Fund Budget 2017/18 – Stage 1 and 2.

The Council has campaigned for an improved settlement than that forecast and has pressed for a 'flat line' or 'cash flat' settlement for 2017/18 with no reduction in core grant.

A full presentation will be made at Cabinet and Council.

RECOMMENDATIONS

1	Members are requested to note the details of the Provisional Settlement
2	Members are requested to note the impact on the budget for 2017/18 which is set out in the separate agenda item on the Council Fund Budget 2017/18 – Stage 1 and 2.
3	Members are invited to contribute to a Council response on the Provisional Settlement consultation.

REPORT DETAILS

1.00	EXPLAINING THE WELSH LOCAL GOVERNMENT PROVISIONAL SETTLEMENT
1.01	The Local Government Provisional settlement was announced by Welsh Government on 19 th October 2016. A full presentation will be made at Cabinet and Council on both the benefits and impacts thus far and on the ongoing campaigning on specifics where the Council has been making a case for change.
1.02	The detailed impacts of the Provisional Settlement for Flintshire are analysed in an accompanying Cabinet report on the Council Fund Budget for 2017/18.
1.03	The Council has campaigned for an improved settlement than that forecast and has pressed for a 'flat line' or 'cash flat' settlement for 2017/18 with no reduction in core grant.
1.04	Members are invited to contribute to a Council response on the Provisional Settlement consultation.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the Cabinet report (attached)

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Welsh Local Government Provisional Settlement is open until the 30 th November. Council are requested to make a contribution to the response.

4.00	RISK MANAGEMENT
4.01	The Settlement is provisional only at this stage with the Final Settlement not due until December 2016. Within the settlement there is limited information on specific grants with further information to be included in the final settlement. There is a risk that any reduction in specific grants will impact on the MTFS. The Single Environment Grant is of particular concern.

5.00	APPENDICES
5.01	Appendix 1 - Cabinet Report - Local Government Provisional Settlement 2017/18

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Gary Ferguson Corporate Finance Manager</p> <p>Telephone: 01352 702271</p> <p>E-mail: gary.ferguson@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Capital: Expenditure on the acquisition or enhancement of Non-current Assets or expenditure that extends the life or value of an existing asset.</p> <p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget and to individual councils one by one. The amount of Revenue Support Grant (see below) each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.</p> <p>Aggregate External Finance (AEF): the total amount of support the Welsh Government provides to councils each year. The total is made up of Revenue Support Grant, a share of the national "pool" of National Non-Domestic Rates and a number specific grant where funds are provided for councils to spend on specified services to achieve pre-set outcomes for example in education or waste collection.</p> <p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across other services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Medium Term Financial Strategy (MTFS): a written statement which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>