

**LOCAL GOVERNMENT FINANCE REPORT 2004-2005**  
**(Final Settlement - Councils)**

**National Assembly for Wales**

**LOCAL GOVERNMENT FINANCE REPORT**  
**2004-2005**  
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# LOCAL GOVERNMENT FINANCE REPORT 2004-2005 (Final Settlement - Councils)

## **SECTION ONE: PURPOSE OF REPORT AND MAIN PROPOSALS**

### **Chapter 1. Purpose of report**

- 1.1 This report is made in accordance with the requirements of the Local Government Finance Act 1988 (“the 1988 Act”). It sets out how much revenue support grant (RSG) the National Assembly for Wales proposes to distribute to county and county borough councils (hereafter referred to as councils) in 2004-05. The report also sets out how Non-Domestic Rates (NDR) will be distributed to councils; and states the amount of RSG the Assembly proposes to pay to specified bodies providing services to local government.
- 1.2 This report specifically relates to receiving authorities other than police authorities, and specified bodies. The Local Government Act 2003 amended the 1988 Act to allow a separate Local Government Finance Report to be produced for police authorities.
- 1.3 Before making determinations about the overall amount of RSG and the respective shares of RSG and NDR to be distributed among receiving authorities and specified bodies, the National Assembly consulted councils, as required by the 1988 Act. The consultation period lasted from 23 October 2003 to 21 November 2003.

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## **Chapter 2. Main Proposals**

### ***Revenue Support Grant***

2.1 The amount of RSG for councils in 2004-05 is £2,515,750,995. In addition, £2,578,005 of RSG is to be paid to specified bodies.

2.2 Under the system of distribution determined in this report, the amount of RSG to be paid to an individual council is determined by its SSA, taking account of the amount of NDR it will receive and also of the amount of council tax it is assumed to be able to raise. Section 2 of this report describes how this process works.

### ***Distributable amount: Non Domestic Rates***

2.3 The distributable amount of NDR available for councils for 2004-05 is £604.8 million. The basis upon which NDR is distributed to councils is described in Section 2, Chapter 4.

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## SECTION TWO: COUNCILS

### Chapter 3. Calculation of the amount of RSG for each council

- 3.1 This chapter specifies the basis on which the National Assembly will distribute the amount of RSG to be paid to councils in 2004-05. Grant will be distributed so that if each council were to have a budget requirement at the level of its Standard Spending Assessment (SSA) then, subject to certain qualifications as set out in the Explanatory Notes (Annex 3), all councils could set broadly the same council tax for dwellings listed in the same valuation band.
- 3.2 The method by which SSAs for councils have been calculated is set out in Chapter 5. The calculation makes use of information reflecting the demographic, physical, economic and social characteristics of each area. For Cardiff, the figure is adjusted downwards by £275,863, while the figure for the Vale of Glamorgan is adjusted upwards by £275,863 to account for the change in provision of Welsh Medium secondary education for pupils living in the Vale of Glamorgan.
- 3.3 In order to calculate the amount of grant to be paid to each council, the Assembly will first calculate the SSA for that authority. For this purpose, it is assumed that there is no use of, or contribution to, financial reserves.

The RSG entitlement for each council is calculated by applying the formula:

$$A - B - (C \times D)$$

where:

A is the SSA for the council as calculated in accordance with Chapter 5;

B is the council's share of the distributable amount from the non-domestic rating account as calculated in accordance with Chapter 4;

C is the standard tax element for the council as specified in paragraph 3.4; and

D is the council tax base for RSG purposes for the council area as specified in Table 3.1.

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### ***Standard tax elements for calculating RSG entitlements***

3.4 The National Assembly will distribute RSG so as to enable (subject to the qualifications specified in Annex 3) broadly the same council tax, known as Council Tax for Standard Spending, to be set for dwellings listed in the same valuation band in all areas. The appropriate "standard tax element" for councils is £689.47.

### ***Council tax base for distributing RSG***

3.5 Each council is required to calculate its council tax base in accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended).

3.6 The council tax base figures for the purpose of distributing RSG are set out in Table 3.1 on next page.

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**Table 3.1 Council tax base: number of band D equivalent properties**

<i>County and county borough councils</i>	
Isle of Anglesey	27,294
Gwynedd	46,308
Conwy	46,037
Denbighshire	35,487
Flintshire	55,350
Wrexham	44,677
Powys	52,383
Ceredigion	27,599
Pembrokeshire	46,916
Carmarthenshire	62,932
Swansea	82,766
Neath Port Talbot	46,475
Bridgend	47,701
The Vale of Glamorgan	51,499
Rhondda Cynon Taff	73,196
Merthyr Tydfil	17,056
Caerphilly	55,965
Blaenau Gwent	20,869
Torfaen	30,766
Monmouthshire	39,712
Newport	49,587
Cardiff	116,035
<b><i>Wales total</i></b>	<b>1,076,611</b>

*Note: Figures shown in the above table are rounded versions of those actually used.*

*Note: An explanation of Band D equivalent properties is given in Annex 3 – Explanatory Notes.*

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## Chapter 4. Calculation of the amount of non-domestic rates for each council

4.1 This chapter specifies the basis on which the National Assembly will distribute among councils the appropriate share of the distributable amount from the non-domestic rating account for 2004-05. It will be distributed pro rata to adult population in each council's area, using the formula below:

$$(E \times 90\%) \times \frac{F}{G}$$

where:

E is the distributable amount, specified in paragraph 6 of the introduction to this Report;

F is the resident population aged 18 years and over at 30 June 2002 for the council area, as derived from estimates by the Registrar General and specified in Table 4.1 on next page;

G is the population of Wales on the same basis.

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**Table 4.1 Resident population aged 18 years and over at 30 June 2002**

	<i>Prescribed figure</i>
Isle of Anglesey	53,022
Gwynedd	91,855
Conwy	87,501
Denbighshire	73,398
Flintshire	114,940
Wrexham	100,679
Powys	99,727
Ceredigion	62,496
Pembrokeshire	87,959
Carmarthenshire	136,955
Swansea	176,058
Neath Port Talbot	104,883
Bridgend	99,400
The Vale of Glamorgan	91,239
Rhondda Cynon Taff	177,228
Merthyr Tydfil	42,494
Caerphilly	129,182
Blaenau Gwent	52,789
Torfaen	69,203
Monmouthshire	65,718
Newport	104,352
Cardiff	238,922
<i>Wales total</i>	2,260,000

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## **Chapter 5. Calculation of the SSA for each council**

5.1 No part of the RSG for councils is earmarked for particular services. The relevant tables referred to in this section do not form a basis for calculating a notional allocation of either SSA or grant to individual councils for particular services.

5.2 The SSA of each council is determined following the methodology recommended by the Distribution Sub-Group (DSG) of local government and National Assembly officials and approved by the Partnership Council.

- The DSG methodology has identified a set of need indicators;
- the SSA units are those that are appropriate to apply to the indicators given in the table, following the DSG methodology; the size of the unit gives an indication of the appropriate level of spending associated with that indicator;
- each SSA unit shown alongside a need indicator is multiplied by the value of that need indicator;
- the sum of the resulting figures, together with an amount for debt financing and boundary changes, comprises that council's SSA.

5.3 The indicators used to determine the SSA for each council, and their definitions, are set out in Section 3, Annex 2.

5.4 Table 4 sets out the SSA determined for each council in Wales. Figures have been rounded. Therefore the sum of the values calculated using Table 1, when added to the figures shown in Table 2 may not exactly equate with the amounts determined in Table 4.

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**SECTION THREE - ANNEXES TO THE REPORT**

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## **ANNEX 1: AMOUNTS OF RSG TO BE PAID TO SPECIFIED BODIES**

The amount of RSG that the National Assembly will pay to each specified body is the amount shown against its name in the right hand column of the table below:

<b>Specified Body</b>	<b>£</b>
Improvement and Development Agency for Local Government	437,000
Employer's Organisation for Local Government	323,000
Fire Services Examinations Board	28,990
Public Private Partnerships Programme	109,555
National Foundation for Educational Research	77,940
National Institute of Adult Continuing Education	41,110
Local Government International Bureau	90,730
Local Authorities Co-ordinators of Regulatory Services	185,130
Education Psychology Service	259,550
Commission for Local Administration in Wales	1,025,000
<b>TOTAL</b>	<b>2,578,005</b>

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### ANNEX 2: INDICATORS AND VALUES USED IN THE CALCULATION OF COUNCILS' SSAs

**Table 1 Indicators and data used to calculate SSAs for councils**

<i>Need indicator</i>	<i>Note</i>	<i>Data Year</i>	<i>SSA Unit (£)</i>
Population, all ages	1	2002	189.797826
Population aged 4 to 11	1	2002	46.123194
Population aged 5 to 16	1	2002	263.143900
Population aged 11 to 20	1	2002	48.680923
Population aged 18 to 64	1	2002	75.869327
Population aged 16 and over	1	2002	5.701355
Population aged 18 and over	1	2002	3.949852
Population aged under 60	1	2002	0.657943
Population aged 60 and over	1	2002	20.068719
Population aged under 18 with a double weighting for those aged under 8	1	2002	52.757983
Population aged 11 to 15 and secondary school pupils aged 16 and over	2	2002	105.399291
Population aged 16 to 18 other than at school	3	2002	24.576427
Enhanced population	4	2002	27.449636
Primary school pupils and modelled nursery school pupils	5	2003	2,479.349036
Secondary school pupils	6	2003	2,733.575320
Secondary school pupils aged 14 and 15	7	2003	664.356842
Primary school pupils entitled to free school meals	8	2003	1,367.771398
Secondary school pupils entitled to free school meals	9	2003	1,830.415370
Area per modelled primary school numbers	10		263.996205
Area per modelled secondary school numbers	11		62.318725
Dependent children in households where head is in a low socio-economic group	12		2,940.395870
Dependent children in lone adult households	13		334.566311
Persons aged under 18 with a limiting long-term illness	14		1,561.817023
Pensioners living alone in households	15		676.294803
Pensioners living in households which lack central heating and/or the exclusive use of basic amenities	16		630.031130
Pensioners with a limiting long-term illness	17		413.484772
Pensioners who are head of households in owner-occupied houses	18		4.783090
Population in households where head is in low socio-economic group	19		589.382779
Adults with a limiting long-term illness	20		92.620172
Adults living alone in households	21		186.439220
Population aged under 18 in wards with weighted density greater than 1.5 times the Welsh average	22		141.293978

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<i>Need indicator</i>	<i>Note</i>	<i>Data Year</i>	<i>SSA Unit (£)</i>
Dispersion threshold 2,500	23		0.003757
Dispersion threshold 5,000	23		0.004959
Dispersion threshold 7,500	23		0.000457
Settlement threshold 1,000	24		76.384129
Settlement threshold 7,500	24		39.068800
Settlement threshold 12,500	24		2.994791
Settlement threshold 30,000	24		12.409716
Settlement threshold 40,000	24		6.746403
Population within settlement threshold 50,000	25		18.862859
Total income support and job seekers allowance claimants	26	2003	103.162708
Dependent children in families receiving income support / JSA	27	2003	435.669971
Income support and JSA claimants aged under 60	28	2003	133.870053
Income support recipients aged 60 and over	29	2003	925.355797
Expenditure on preserved rights for adults	30	2001	0.992434
Expenditure on preserved rights for elderly	30	2001	0.900574
Nursing care	31	2003	1.029613
Number of deaths from all causes	32	2002	176.104174
Population of electoral divisions that are in the top 25% of Index of Multiple Deprivation values (employment domain)	33		5.097816
Population of electoral divisions that are in the top 50% of Index of Multiple Deprivation values (employment domain)	33		2.671189
Population of electoral divisions that are in the top 25% of Index of Multiple Deprivation values (income domain)	33		4.743319
Population of electoral divisions that are in the top 50% of Index of Multiple Deprivation values (income domain)	33		2.605555
Weighted homelessness cases	34	2003	5,585.091055
Weighted housing renovation grant applications received	35	2003	13,482.828328
Planning applications received	36	2003	261.494963
Urban road length	37	2003	1,293.707873
Weighted road length	38	2003	2,111.476802
Street lighting units	39	2003	70.732033
Length of artificially protected coastline	40	2003	8,847.709863
Ships arriving at ports	41	2002	45.242939
All dwellings	42	2003	11.400872
Food premises	43	2003	83.736372
Trading premises	44	2003	11.904410
Land drainage levies	45	2003-2004	1.000000
National park levies	46	2004-2005	1.000000
Sea fisheries levies	47	2004-2005	1.000000
Cash limits for magistrates' courts committees	48	2003-2004	0.219249
Detrunked roads	49	2003	1.023714

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## Notes to Table 1

### Definitions of indicators used in the calculation of council SSAs

[NOTE: references to forms used to collect statistical data are National Assembly forms]

#### 1. *Population*

For the purpose of this Report, the population of an area and, except where otherwise indicated, the number of persons of any description in an area shall be the number at 30 June of the data year estimated by the Registrar General as usually resident in that area, or the number derived from those estimates.

#### 2. *Population aged 11 to 15 and secondary school pupils aged 16 and over*

The population of the council area (see note 1) plus the number of pupils at January of the year following the data year aged 16 and over at maintained secondary schools in the council area (aggregated from information reported by maintained schools on form STATS1 or the Pupil Level Annual School Census (PLASC) return, and information from councils).

#### 3. *Population aged 16 to 18 other than at school*

The population of the council area (see note 1) less the number of pupils at January of the year following the data year aged 16 and over at maintained secondary schools in the council area (aggregated from information reported by maintained schools on form STATS1 or the PLASC return, and information from councils).

#### 4. *Enhanced population*

The total population of the council area (see note 1) plus the number of overnight visitors from within and outside the United Kingdom and the number of day visitors, based on estimates provided by the Scarborough Tourism and Economic Activity Model (compiled from information collected by GTS (UK) Ltd in the publication 'STEAM in Wales: Executive Summaries 2002').

#### 5. *Primary school pupils and modelled nursery school pupils*

The number of pupils aged 4 and over at January of the data year at maintained primary and nursery schools excluding special schools in the council area, plus pupils aged 5 to 10 inclusive at independent schools excluding special schools and special education for whom the council pays full tuition fees. An estimate for nursery pupils aged 3 is also included by taking the population of that age group in the council and scaling the number down by the proportion of 3 year olds in nursery schools for Wales as a whole. Part-time pupils have been given a weighting of one-half (aggregated from information reported by maintained schools on form STATS1 or the PLASC return, and information

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from councils).

### 6. *Secondary school pupils*

The number of pupils aged between 11 and 15 at January of the data year at maintained secondary schools in the council area excluding special schools; plus pupils aged between 11 and 15 at independent schools for whom the council pays full tuition fees, excluding special schools and special education (aggregated from information reported by maintained schools on form STATS1 or the PLASC return and information from councils).

### 7. *Secondary school pupils aged 14 and 15 years old*

The number of pupils aged 14 and 15 years old at January of the data year at maintained secondary schools in the council area excluding special schools; plus pupils at independent schools for whom the council pays full tuition fees, excluding special schools and special education (aggregated from information reported by maintained schools on form STATS1 or the PLASC return and information from councils).

### 8. *Primary school pupils entitled to free school meals*

The number of pupils entitled to free school meals at January of the data year at maintained primary schools in the council area (aggregated from information reported by maintained schools on form STATS1 or the PLASC return).

### 9. *Secondary school pupils entitled to free school meals*

The number of pupils entitled to free school meals at January of the data year at maintained secondary schools in the council area (aggregated from information reported by maintained schools on form STATS1 or the PLASC return).

### 10. *Area per modelled primary school numbers*

The land surface divided by a modelled number of primary schools for the council. The modelled number of schools is derived using regression methods, taking into account the number of pupils in maintained primary schools (see note 5) and the population settlement indicator with a threshold of 1000 (see note 24). Modelled rather than actual school numbers are used to avoid perverse incentives. See note 43 for a definition of land area. Distribution Sub Group paper 41 (2000) describes the calculation of modelled number of schools.

### 11. *Area per modelled secondary school numbers*

The land surface divided by a modelled number of secondary schools for the council. The modelled number of schools is derived using regression methods, taking into account the number of pupils in maintained secondary schools (see note 6,7) and the population settlement indicator with a threshold of 7500 (see note 24). Modelled, rather

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than actual, school numbers are used in order to avoid perverse incentives. See note 43 for a definition of land area. Distribution Sub Group paper 50 (2000) describes the calculation of modelled number of schools.

### 12. *Dependent children in households where head is in a low socio-economic group*

The number of dependent children resident in households where the head of household is, or if economically inactive was last employed as, a personal service worker, semi-skilled or unskilled manual worker or farm worker (socio-economic group 7, 10, 11 or 15), calculated from the 1991 Population Census (10 per cent sample data) including special tabulations on the previous socio-economic grouping of economically inactive heads of households.

### 13. *Dependent children in lone adult households*

The number of dependent children resident in households where there is only one resident adult (1991 Population Census).

### 14. *Persons aged under 18 with a limiting long-term illness*

The number of usually resident persons aged under 18 with a limiting long-term illness (1991 Population Census).

### 15. *Pensioners living alone in households*

The number of persons of pensionable age (females aged 60 and over, males aged 65 and over) residing alone in households (1991 Population Census).

### 16. *Pensioners living in households which lack central heating and/or the exclusive use of basic amenities*

The number of persons of pensionable age (females aged 60 and over, males aged 65 and over) resident in households which lack central heating and/or the exclusive use of one or more basic amenities (inside WC or bath/shower) (1991 Population Census).

### 17. *Pensioners with a limiting long-term illness*

The number of usually resident persons of pensionable age (females aged 60 and over, males aged 65 and over) with a limiting long-term illness (1991 Population Census).

### 18. *Pensioners who are head of households in owner-occupied houses*

The number of heads of household of pensionable age (females aged 60 and over, males aged 65 and over) resident in a household and with tenure of owned (either with a mortgage or outright) (1991 Population Census).

### 19. *Population in households where head is in a low socio-economic group*

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The number of persons resident in households where the head of household is, or if economically inactive was last employed as, a personal service worker, semi-skilled or unskilled manual worker or farm worker (socio-economic group 7, 10, 11 or 15), calculated from the 1991 Population Census (10 per cent sample data) including special tabulations on the previous socio-economic grouping of economically inactive heads of households.

### 20. *Adults with a limiting long-term illness*

The number of usually resident persons aged between 18 and 64 with a limiting long-term illness (1991 Population Census).

### 21. *Adults living alone in households*

The number of persons aged between 18 and 64 residing alone in households (1991 Population Census).

### 22. *Population aged under 18 in wards with weighted density greater than 1.5 times the Welsh average*

The total number of persons aged under 18 usually resident in the council area who reside in wards where the result of multiplying the usually resident population aged under 18 by the usually resident population and dividing by the area in hectares is greater than 1.5 times the average over all Welsh wards (1991 Population Census).

### 23. *Dispersion, with various thresholds*

This is a measure designed to capture the additional time and distance costs associated with service delivery to dispersed communities. The parameter is calculated to settlement centroids within each authority with "key" settlements defined on the basis of varying population threshold criteria (report commissioned from Pion Economics and NWRRL "The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales").

### 24. *Settlement, with various thresholds*

The population in each authority outside settlements above the specified threshold population size using the population figures from the 1991 Population Census (report commissioned from Pion Economics and NWRRL "The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales").

### 25. *Population within settlement threshold*

The population in each authority within settlements above the specified threshold population size using the population figures from the 1991 Population Census (report commissioned from Pion Economics and NWRRL "The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales").

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26. *Total income support or income based job seekers allowance claimants*

The estimated number of recipients of income support, or income based Jobseekers Allowance, averaged over the four quarters up to and including that ending in February of the data year (Department for Work and Pensions).

27. *Dependent children in families receiving income support or income based job seekers allowance*

The estimated number of dependent children in families receiving income support, or income based Jobseekers Allowance, averaged over the four quarters up to and including that ending in February of the data year (Department for Work and Pensions).

28. *Income support or income based job seekers allowance recipients aged under 60*

The estimated number of recipients of income support, or income-based Jobseekers Allowance, aged under 60 averaged over the four quarters up to and including that ending in February of the data year (Department for Work and Pensions).

29. *Income support recipients aged 60 and over*

The estimated number of income support recipients aged 60 and over averaged over the four quarters up to and including that ending in February of the data year (Department for Work and Pensions).

30. *Expenditure on preserved rights*

The estimated expenditure on preserved rights for adults and elderly based on the actual number and average weekly rate of recipients of preserved rights from the December 2000 100% scan and adjusted by a subsequent survey of local authorities (Department for Work and Pensions).

31. *Nursing care (transfer out)*

The estimated expenditure on nursing care for adults, elderly and preserved rights cases is based on the actual number and a weekly rate. For adult and elderly cases, the number of local authority funded clients receiving nursing care at March 2003 collected on the performance management forms (Local Government Data Unit Wales).

32. *Number of deaths from all causes*

The number of deaths, as notified to the General Registrar, occurring within the councils area during the data year (Office for National Statistics).

33. *Population of electoral divisions that are in the top (25 / 50%) of Index of Multiple Deprivation values (income or employment domains)*

The population of electoral divisions within the council's area which have a multiple

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deprivation value amongst the top quarter / half of all electoral divisions in Wales. A high value indicates greater levels of deprivation. The population used for these purposes is taken from the 1998 National Health Service Administrative Register as the mid-year estimates of population are not available at electoral division level (Data published in the National Assembly for Wales' publication 'Welsh Index of Multiple Deprivation', 2000 edition).

### 34. *Weighted homelessness cases*

A weighted sum of homelessness cases averaged over the twelve quarters up to and including that ending in March of the data year, as measured by the number of households for which written notification of final decisions was given for the twelve quarters up to and including that ending in March of the data year. Unintentionally homeless priority households are allocated a weight of 0.375, intentionally homeless priority households are allocated a weight of 0.250, eligible non-priority homeless households are allocated a weight of 0.125, eligible not homeless non-priority households are allocated a weight of 0.125 and ineligible households are allocated a weight of 0.125 (as reported by councils on form WHO12).

### 35. *Weighted housing renovation grant applications received*

A weighted sum of valid housing renovation grant applications received, averaged over the twelve quarters up to and including that ending in March of the data year. HMO grant applications received are allocated a weight of 0.05, DFG mandatory grant applications received are allocated a weight of 0.40, home repair grant applications received are allocated a weight of 0.15 and renovation grant applications received are allocated a weight of 0.40 (as reported by councils on form WH06).

### 36. *Planning applications received*

The number of planning applications received during each financial year averaged over the three financial years up to and including that ending in the data year (as reported by councils as part of the National Assembly Development Control Quarterly Survey).

### 37. *Urban road length*

The total length in kilometres at 1 April of the data year of those roads within the council's area, excluding trunk roads, subject to a speed limit not exceeding 40 miles per hour (as derived from estimates reported by councils on form TP1).

### 38. *Weighted road length*

The total length in kilometres at 1 April of the data year, of those roads within the council's area, excluding trunk roads, with weightings of 2.7 for principal roads and 1.0 for all other local roads (as derived from estimates reported by councils on form TP1).

### 39. *Street lighting units*

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The number of street lighting units at 1 April of the data year, within the council's area (as reported by councils to the Local Government Data Unit).

### 40. *Length of artificially protected coastline*

This is defined as the aggregate of the lengths in kilometres of coastline in August of the data year where capital works have been carried out under the Coast Protection Act 1949 or any earlier similar legislation, exclusive of those lengths owned and maintained by private interests or by public bodies other than councils.

### 41. *Ships arriving at ports*

The estimated number of ships arriving at ports in the council area in the data year, excluding vessels employed in supply, dredging or dumping at sea (Department for Transport).

### 42. *Dwellings*

The number of domestic hereditaments as at 30 September of the data year (Valuation Office Agency).

### 43. *Food premises*

The number of business hereditaments falling within the classes Food (as defined by the National Assembly for Wales) as at 1 April of the data year (Valuation Office Agency).

### 44. *Trading premises (including farms)*

The sum of the number of business hereditaments falling within the classes trading (as defined by the National Assembly for Wales) as at 1 April of the data year (Valuation Office Agency) and the number of farms described as economically active main holdings as at June 2002 taken from the National Assembly Agricultural Census 2003.

### 45. *Land drainage levies*

The amounts levied on the council by the Environment Agency Flood Defence Committees and Internal Drainage Boards for the financial year.

### 46. *National park levies*

The amounts to be levied on councils by the National Park Authorities for the financial year. Where the levy is to be borne by more than one council, the apportionment is according to the percentages specified in The National Park Authorities (Levies) (Wales) Regulations 1995 (SI 1995/3019 as amended).

### 47. *Sea fisheries levies*

The amounts to be levied on councils for the financial year by the Sea Fisheries

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Committees.

### 48. *Cash limits for magistrates' courts*

This is the cash limit expressed in pounds for the financial year ending in the data year for each magistrates' courts committee in respect of the magistrates' courts within its area, as issued by the Lord Chancellor's Department in December of the year prior to the financial year in question, apportioned to the constituent councils on the basis of population (see Note 1).

### 49. *Detrunked roads*

The estimated amount for each relevant authority for roads detrunked during the financial year.

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**Table 2 Sum to be added to the value calculated using the formula set out in Table 1 for debt financing and other items**

<i>Councils</i>	£
Isle of Anglesey	7,727,097
Gwynedd	13,081,709
Conwy	14,830,228
Denbighshire	12,144,906
Flintshire	13,381,310
Wrexham	11,104,015
Powys	14,713,287
Ceredigion	9,701,745
Pembrokeshire	14,198,694
Carmarthenshire	16,967,368
Swansea	24,336,468
Neath Port Talbot	14,109,240
Bridgend	12,211,566
The Vale of Glamorgan	10,196,368
Rhondda Cynon Taff	24,261,188
Merthyr Tydfil	6,214,005
Caerphilly	19,220,041
Blaenau Gwent	9,320,383
Torfaen	10,473,729
Monmouthshire	6,512,565
Newport	21,023,092
Cardiff	28,953,849
Wales	314,682,853

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## Notes to Table 2

The sum shown for each council comprises the following items:

1. An adjustment in respect of the boundary changes that took place on 1 April 2003<sup>1</sup>, based on the transfers of total resident population between the areas affected as estimated using information from the 1991 Population Census.
2. Debt financing component of SSAs for councils. The components of debt financing are repayments and interest (calculated from the notional credit ceiling for 2004-05), leasing charges, a reduction in respect of capital financing grants and the revenue consequences of Private Finance Initiative projects supported by a notional credit approval. The rate of repayment assumed is 4 per cent and the rate of interest used is the pool rate interest for 2004-05, which is 6.2%. A detailed description of the calculation is given in paragraphs (a) to (k) below.

Note: In paragraphs (a) to (k) below wherever information is only available for areas other than the areas of the county or county borough councils, it is apportioned to the councils on the basis of the number of persons at 30 June of the year in question, estimated by the Registrar General as usually resident in the areas concerned, except where different apportionments have been agreed between specific county or county borough councils (as notified by the Assembly).

(a) The component in respect of loan charges for debts incurred on or before 31 March 2003 and attributed to county or county borough councils is derived by assuming that the notional levels of credit ceiling are the figures derived from those reported on the COR5 returns for 2003 for the county or county borough councils and fire authorities. The assumed credit ceilings are given in Table 3.

The debt-financing component of each county or county borough council's SSA is the sum of the amounts described in (g), (h), (i) and (k), less the amount described in (j) below.

(b) County or county borough councils are assumed to repay 4% of any notional credit ceiling as at 1 April 2004 ("old debt") in respect of the amounts in (a). This assumes old debt is written off over a twenty five-year period.

<sup>1</sup> The boundary changes made by the Carmarthenshire and Pembrokeshire (Clynderwen, Cilymaenllwyd & Henllan Fallteg) Order 2002 (SI 2002/3270) and the Ceredigion and Pembrokeshire (St Dogmaels) Order 2002 (SI 2002/3272).

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**Table 3      Notional credit ceiling at 31 March 2003**

<i>County or county borough councils</i>	<b>Credit Ceiling</b>	
	£000	£ per head of population
Isle of Anglesey	70,787	1,045
Gwynedd	118,960	1,015
Conwy	97,549	883
Denbighshire	92,777	984
Flintshire	124,049	831
Wrexham	102,828	795
Powys	135,571	1,064
Ceredigion	72,757	945
Pembrokeshire	111,179	975
Carmarthenshire	161,124	918
Swansea	225,253	1,008
Neath Port Talbot	130,901	973
Bridgend	112,320	872
The Vale of Glamorgan	94,391	786
Rhondda Cynon Taff	220,333	954
Merthyr Tydfil	54,984	985
Caerphilly	145,291	854
Blaenau Gwent	83,459	1,204
Torfaen	91,481	1,007
Monmouthshire	60,335	711
Newport	129,118	930
Cardiff	272,984	885
<b>Wales</b>	<b>2,708,432</b>	<b>928</b>

Note: figures include relevant apportionment of fire authority credit ceiling

(c) Interest payments on any notional credit ceiling in respect of (a), as reduced by the annual repayment described in (b), are determined as the result of applying the pool rate of interest to the average notional total credit ceiling 2003-04.

(d) The component of SSAs in respect of capital financing for debts incurred after 31 March 2003 and attributed to county or county borough councils is derived by

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assuming that the debt incurred during 2003-04 and 2004-05 is equal to the total credit approval or supported borrowing figure for the relevant year available to the National Assembly, Home Office, Lord Chancellor's Department and the ODPM when their calculations were made.

(e) County or county borough councils are assumed to repay 4% on the same basis set out in (b) of any notional outstanding loan debt as at April 2004 in respect of the amounts in (d).

(f) Interest payments on any notional credit approval or supported borrowing in respect of (d) are determined as the result of applying the pool rate of interest to the average notional total credit ceiling for 2004-05 in line with the assumptions described in (d) and (e) above.

(g) The capital-financing component of each county or county borough council in respect of debts incurred on or before 31 March 2003 is the sum of:

the repayments for 2003-04 described in (b) above and the interest payments described in (c),

(h) The capital-financing component of each county or county borough council in respect of debts incurred after 31 March 2003 is the sum of:

the repayments for 2004-05 described in (e) above and the interest payments described in (f),

(i) The component in respect of leasing charges and attributed to county or county borough councils is assumed to be equal to a weighted average of the latest three years of financial data on leasing charges available to the National Assembly when the calculations were made, derived from those figures reported on the RO 2001-02, RA 2002-03 and RA 2003-04 forms.

(j) The component in respect of capital financing grants from debts incurred on or before 31 March 1990 by probation committee areas and magistrate's court committee areas and attributed to county or county borough councils is derived from information on the amount payable to each probation committee area and magistrate's court committee area in the year 2003-04, provided by the Home Office and the Lord Chancellor's Department, less four per cent on the assumption that these debts will be fully paid within 25 years.

(k) An assessment in respect of the revenue consequences of the Private Finance Initiative projects based on payments over the lifetime of project contracts, calculated using the pool rate of interest applicable at the time each contract was signed, taking into account any part year effects.

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**Table 4 Total standard spending assessments for each council**

<i>County or county borough councils</i>	<b>Standard spending assessment</b>	
	£	£ per head of population <sup>1</sup>
Isle of Anglesey	94,593,976	1,397
Gwynedd	168,216,106	1,435
Conwy	151,896,443	1,375
Denbighshire	130,959,647	1,389
Flintshire	182,329,981	1,221
Wrexham	156,361,674	1,209
Powys	177,670,256	1,394
Ceredigion	99,155,157	1,295
Pembrokeshire	160,790,884	1,395
Carmarthenshire	234,192,434	1,339
Swansea	289,772,408	1,297
Neath Port Talbot	182,106,828	1,353
Bridgend	164,767,268	1,279
The Vale of Glamorgan	149,534,782	1,246
Rhondda Cynon Taff	315,934,906	1,368
Merthyr Tydfil	79,271,874	1,420
Caerphilly	232,959,216	1,369
Blaenau Gwent	97,044,906	1,400
Torfaen	122,809,759	1,352
Monmouthshire	101,303,824	1,194
Newport	188,759,977	1,360
Cardiff	382,408,829	1,239
<b>Wales</b>	<b>3,862,841,136</b>	<b>1,323</b>

<sup>1</sup> As defined in note 1 to Table 1.

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## ANNEX 3: GLOSSARY AND EXPLANATORY NOTES

This glossary offers explanations of some of the key technical terms used in the report.

**Band D equivalent properties** For the purposes of the council tax, each property has been given a valuation in terms of a band. These bands range from band A up to band H and the council tax bills for each band vary according to a set of multipliers. These multipliers vary from sixth ninths for a band A property to two for a band H property while the multiplier for a band D property is one. The number of band D equivalent properties in an authority is the total number of domestic dwellings expressed in terms of their relation to band D. For example, one band H property is equivalent to two band D properties, because it pays twice as much council tax.

**Billing Authorities** are local authorities empowered to set local charges and issue bills for the council tax and the non-domestic rates on behalf of itself and other authorities in the area. In Wales, the billing authorities are county and county borough councils.

**Council Tax Base** of an area is equal to the number of band D equivalent properties, after adjustment for discounts and exemptions. Discounts are available to people who live alone, and to owners of homes that are not anyone's main home. Council Tax is not charged for certain properties, known as exempt properties, such as those lived in only by students.

**Council Tax for Standard Spending** is the level of council tax for a band D property which would be charged in all parts of Wales if all councils and police authorities spent at the level of their SSA. This figure is used to work out how the amount of RSG payable to councils should be shared among them, and similarly how the amount of RSG payable to police authorities should be shared out.

**Distribution Sub Group (DSG)** is a working group of the Partnership Council's Consultative Forum on Finance. Copies of its reports, remits and details of membership are available from the National Assembly's Local Government Finance Division.

**Non-Domestic Rates** are the property tax paid by businesses. All business rates are paid into a central pool administered by the National Assembly for redistribution to councils and police authorities.

**Qualifications affecting council tax calculation:** RSG is distributed to enable each council to set broadly the same council tax for dwellings listed in the same valuation band. For each council it is assumed that the 2004-05 council tax base used for RSG distribution is calculated in accordance with the relevant secondary legislation (The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as

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amended by National Assembly statutory instrument No. 2935 1999). Secondly, it is assumed that the application of section 35 of the Local Government Finance Act 1992 ("special items") will result in the same council tax for dwellings listed in the same valuation band across the whole of a council's area.

**Receiving Authorities** are councils. RSG is paid to each receiving authority.

**SSAs** (Standard Spending Assessments) are notional assessments for RSG distribution purposes of each council's need to spend on revenue services, excluding specific grants.

**Standard tax element** is the portion of the council tax for standard spending attributable to each class of receiving authority. It is a common figure for each authority within a class. The two classes of authorities in Wales are councils and police authorities.

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## **ANNEX 4: STATUTORY BASIS FOR THE REPORT**

1. The Local Government Finance report is made under section 78A of the Local Government Finance Act 1988 as amended by the Local Government Finance Act 1992. On 1 July 1999 these powers transferred to the National Assembly for Wales by virtue of the National Assembly for Wales (Transfer of Functions) Order 1999, No.672. The report will have effect for the financial year 2004-05 if it is duly approved by resolution of the National Assembly.

### ***Amount of RSG and redistributed non domestic rates***

2. Section 78 of the 1988 Act requires the Assembly to determine the amount of RSG for each financial year; how much it proposes to pay to receiving authorities (county and county borough councils) and how much it proposes to pay to specified bodies.
3. Specified bodies are bodies which provide services for local authorities and are specified in the RSG (Specified Bodies) (Wales) Regulations 2000. The Commission for Local Administration in Wales is treated as a specified body by virtue of paragraph 6 of Schedule 4 to the Local Government Act 1974.

### ***Basis of distributing RSG***

4. Paragraph 10 of Schedule 10 to the 1992 Act inserted section 78A into the 1988 Act. Section 78A requires the National Assembly to make a report setting out its determinations under section 78 and to specify the basis on which RSG is to be distributed between receiving authorities.

### ***Commission for Local Administration in Wales***

5. Before deciding how much RSG to pay to the Commission for Local Administration in Wales the National Assembly took into account estimates of the expenses of the Commission as required by paragraph 7 of Schedule 4 to the Local Government Act 1974 (as substituted by section 24 of the Local Government and Housing Act 1989).

### ***Redistributed Non Domestic Rates***

6. Paragraph 9 of Schedule 8 to the 1988 Act requires the Assembly to specify in the report the distributable amount from the non-domestic rating account. Under paragraph 10 of the same Schedule the National Assembly is required to set out in the report the basis on which the distributable amount will be distributed among receiving authorities.