

LOCAL GOVERNMENT FINANCE REPORT (NO.1) 2009-2010
(Final Settlement - Councils)

Welsh Ministers

**LOCAL GOVERNMENT FINANCE REPORT
(NO.1) 2009-2010
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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 Welsh Ministers propose to distribute to county and county borough councils (hereafter referred to as councils) in Wales in 2009-10. The report also sets out how Non-Domestic Rates (NDR) will be distributed to councils; and states the amount of RSG the Welsh Ministers propose 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 amongst receiving authorities and specified bodies, the Welsh Ministers consulted such representatives of local government as appeared appropriate from 15 October 2008 to 18 November 2008, as required by the 1988 Act.

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Chapter 2. Main Proposals

Revenue Support Grant

- 2.1 The amount of RSG for councils in 2009-10 is £3,118,715,391. In addition, £2,524,609 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 standard spending assessment (SSA), taking account of the amount of NDR it will receive and also assuming the amount of council tax it is 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 2009-10 is £894 million defined as F in Section 2, Chapter 4. Therefore, the figure for councils is £804.6 million. The basis upon which NDR is distributed to councils is fully described in Section 2, Chapter 4.

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SECTION TWO: COUNCILS

Chapter 3. Calculation of the amount of Revenue Support Grant for each council

- 3.1 This chapter specifies the basis on which the Welsh Ministers will distribute the amount of RSG to be paid to councils in 2009-10.
- 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.
- 3.3 In order to calculate the amount of grant to be paid to each council, Welsh Ministers 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:

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

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 below;

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

E is the adjustment made to the RSG so that certain authorities receive a minimum increase, which has been determined by the Minister for Social Justice and Local Government and has been included in the calculations in this report. For 2009-10 the Minister has determined that the minimum increase is set at 1.5% over the previous years grant support. These previous years grant support figures are the Minister's estimate of the councils' share of the Distributable Amount and RSG calculated in accordance with Section 2, Chapters 3 and 4 of the Local Government Finance Report 2008-09, after adjustments. Table 3.2 specifies for each authority the adjustment required to deliver the minimum increase of 1.5%.

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Standard tax elements for calculating Revenue Support Grant entitlements

3.4 The appropriate “standard tax element” for councils is £836.09.

Council tax base for distributing Revenue Support Grant

3.5 Each council is required to calculate its council tax base in accordance with regulations made under section 33(5) of the Local Government Finance Act 1992 (these are the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended)¹). The calculation of the council tax base for the purpose of distributing RSG is made having regard to council tax base figures supplied to Welsh Ministers by councils on Form CT1 on or before 21 November 2008.

3.6 The council tax base figures for the purpose of distributing RSG are set out in Table 3.1 below. In order to ensure consistency across Wales no account is taken of councils’ assumptions about collection rates. For the purpose of distributing revenue support grant, collection rates are assumed to be 100 per cent.

¹ See the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 1999 SI 1999/2935 (W27) and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 SI 2004/3094 (W268).

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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	29,679
Gwynedd	49,494
Conwy	49,626
Denbighshire	38,385
Flintshire	60,937
Wrexham	52,023
Powys	59,114
Ceredigion	30,851
Pembrokeshire	52,542
Carmarthenshire	69,387
Swansea	87,925
Neath Port Talbot	47,448
Bridgend	50,134
The Vale of Glamorgan	56,559
Rhondda Cynon Taff	74,084
Merthyr Tydfil	17,697
Caerphilly	59,417
Blaenau Gwent	20,704
Torfaen	31,830
Monmouthshire	43,137
Newport	53,837
Cardiff	136,731
<i>Wales total</i>	1,171,541

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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Table 3.2 Adjustments to RSG to reallocate the additional resource available for the floor mechanism (E in the formula in paragraph 3.3)

<i>County and county borough councils</i>	
Isle of Anglesey	812,524
Gwynedd	-128,627
Conwy	-110,290
Denbighshire	-103,086
Flintshire	-140,200
Wrexham	-120,163
Powys	1,659,303
Ceredigion	-75,784
Pembrokeshire	-122,455
Carmarthenshire	-188,662
Swansea	-226,411
Neath Port Talbot	-147,757
Bridgend	-134,250
The Vale of Glamorgan	-113,841
Rhondda Cynon Taff	-257,811
Merthyr Tydfil	-63,967
Caerphilly	-188,472
Blaenau Gwent	261,249
Torfaen	-98,593
Monmouthshire	-75,012
Newport	-145,867
Cardiff	-291,828
<i>Wales total</i>	<u>0</u>

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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 Welsh Ministers will distribute among councils the appropriate share of the distributable amount from the non-domestic rating account for 2009-10. It will be distributed pro rata to adult population in each council's area, using the formula below:

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

where:

F is the distributable amount, specified in paragraph 2.3 of Chapter 2 of this Report;

G is the resident population aged 18 years and over at 30 June 2007 for the council area, as derived from estimates by the Office for National Statistics and specified in Table 4.1 on next page; and

H is the population of Wales on the same basis as set out in respect of G above.

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Table 4.1 Resident population aged 18 years and over at 30 June 2007

	<i>Prescribed Figure (rounded)</i>
Isle of Anglesey	54,700
Gwynedd	94,000
Conwy	89,200
Denbighshire	76,800
Flintshire	117,800
Wrexham	103,700
Powys	104,600
Ceredigion	64,000
Pembrokeshire	92,200
Carmarthenshire	141,700
Swansea	182,200
Neath Port Talbot	108,400
Bridgend	104,800
The Vale of Glamorgan	95,900
Rhondda Cynon Taff	182,400
Merthyr Tydfil	43,100
Caerphilly	132,600
Blaenau Gwent	54,000
Torfaen	70,800
Monmouthshire	69,100
Newport	107,400
Cardiff	253,600
<i>Wales total</i>	2,343,000

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Chapter 5. Calculation of the Standard Spending Assessment 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 Welsh Assembly Government 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. The SSA units in Table 1 have been rounded to six decimal places as appropriate (if the seventh decimal place ends between 1 and 4 the figure is rounded downwards otherwise rounded upwards). 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

- Annex 1 Amount of Revenue Support grant to be paid to Specified Bodies**
- Annex 2 Indicators used in the calculation of councils' Standard Spending Assessments**
- Annex 3 Glossary and Explanatory Notes**
- Annex 4 Statutory Basis for the Report**

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ANNEX 1: AMOUNTS OF REVENUE SUPPORT GRANT TO BE PAID TO SPECIFIED BODIES

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

Specified Body	£
The Improvement and Development Agency for Local Government	187,000
The Employer's Organisation for Local Government	323,000
The National Foundation for Educational Research	33,000
The National Institute of Adult Continuing Education	41,110
The Local Authorities Co-ordinators of Regulatory Services	98,780
Welsh Local Government Association	1,841,719
TOTAL	2,524,609

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ANNEX 2: INDICATORS AND VALUES USED IN THE CALCULATION OF COUNCILS' STANDARD SPENDING ASSESSMENTS

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	2007	181.579
Population aged 4 to 11	1	2007	68.171
Population aged 5 to 16	1	2007	395.893
Population aged 11 to 20	1	2007	61.06
Population aged 18 to 64	1	2007	119.072
Population aged 16 and over	1	2007	5.787
Population aged 18 and over	1	2007	4.609
Population aged under 60	1	2007	0.489
Population aged 60 and over	1	2007	13.82
Population aged 85 and over	1	2007	1613.235
Population aged 11 to 15 and secondary school pupils aged 16 to 18	2	2007	148.849
Population aged 16 to 18 other than at school	3	2007	27.229
Enhanced population	4	2007	61.763
Primary school pupils and modelled nursery school pupils	5	2008	3227.45
Secondary school pupils	6	2008	3559.337
Secondary school pupils aged 14 and 15	7	2008	832.106
Primary school pupils eligible for free school meals	8	2008	2019.015
Secondary school pupils eligible for free school meals	9	2008	2586.143
Area per modelled primary school index	10		356.965
Area per modelled secondary school index	11		86.402
Dependent children in households where head is in a low occupational classification	12		34.779
Dependent children in lone adult households	13		50.672
Dependent children in social rented housing	14		317.33
Dependent children in overcrowded housing	15		605.545
Pensioners living alone in households	16		992.302
Pensioners with a limiting long-term illness	17		604.868
Households where head is aged 18 to 64 with no carer	18		59.227
Adults aged 18 to 64 in non-white ethnic groups	19		126.327
Population aged under 18 in wards with weighted density greater than the Welsh average	20		66.47
Dispersion threshold 2,500	21		0.004
Dispersion threshold 5,000	21		0.007
Dispersion threshold 7,500	21		0.001
Settlement threshold 1,000	22		92.264
Settlement threshold 7,500	22		47.573
Settlement threshold 12,500	22		3.484
Settlement threshold 30,000	22		16.31

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<i>Need indicator</i>	<i>Note</i>	<i>Data Year</i>	
Settlement threshold 40,000	22		9.625
Population outside settlement threshold 50,000	23		24.791
Total income support, job seekers allowance and pension credit claimants	24	2007	113.175
Dependent children in out of work families	25	2007	2070.27
Income support, job seekers allowance and pension credit claimants aged 18 to 64	26	2007	79.516
Pension credit claimants aged 65 and over	27	2007	639.832
Severe disablement allowance and disability living allowance claimants aged 18 to 64	28	2007	400.797
Number of deaths from all causes	29	2007	229.198
Economic Development Index	30		34.551
Weighted homelessness cases	31	2007-08	4777.515
DFG Mandatory Grant Applications	32	2006-07	1818.313
Planning applications received	33	2007-08	246.195
Urban road length	34	2008	1627.479
New Weighted Road Length	35	2008	1775.816
Traffic flow	36	2007	0.005
Street lighting units	37	2007-08	77.311
Length of artificially protected coastline	38	2007-08	10797.367
Ships arriving at ports	39	2007	55.972
All dwellings	40	2008	12.63
Private Dwelling Stock Estimates	41	2007	13.058
Food premises	42	2008	121.195
Trading premises	43	2008	15.938
Land drainage levies	44	2008-09	1.003
National park levies	45	2009-10	1.028
Sea fisheries levies	46	2008-09	1.028
Fire pensions transfer	47	2007-08	1.025

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Notes to Table 1

Definitions of indicators used in the calculation of council Standard Spending Assessments

[NOTE: references to forms used to collect statistical data are Welsh Assembly Government 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 Office for National Statistics 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 to 18*

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 to 18 at maintained secondary schools in the council area (aggregated from information reported by maintained schools on 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 to 18 at maintained secondary schools in the council area (aggregated from information reported by maintained schools 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 Global Tourism Solutions (UK) Ltd in the publication 'STEAM in Wales: Executive Summaries 2007').

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 which 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 the PLASC return, and information from councils).

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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 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 the PLASC return and information from councils).

8. *Primary school pupils eligible for free school meals*

The number of pupils registered on roll who were eligible for a free school meal at January of each year at maintained primary schools in the council area (aggregated from information reported by maintained schools on the PLASC return).

9. *Secondary school pupils eligible for free school meals*

The number of pupils registered on roll who were eligible for a free school meal at January of each year at maintained primary schools in the council area (aggregated from information reported by maintained schools on the PLASC return).

10. *Area per modelled primary school numbers*

The land area divided by a modelled number of primary schools for the council. Land area is defined as the high water mark area of land in hectares as at August 2007. The data are calculated by the Cartographic Unit, Welsh Assembly Government, using Ordnance Survey's Boundary Line data. 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 22). Modelled rather than actual school numbers are used to avoid perverse incentives. Distribution Sub Group paper 41 (2000) describes the calculation of modelled number of schools.

11. *Area per modelled secondary school numbers*

The land area divided by a modelled number of secondary schools for the council. Land area is defined as the high water mark area of land in hectares as at August 2007. The data are calculated by the Cartographic Unit, Welsh Assembly Government, using Ordnance Survey's Boundary Line data. 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 22). Modelled, rather than actual, school numbers are used

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in order to avoid perverse incentives. Distribution Sub Group paper 50 (2000) describes the calculation of modelled number of schools.

12. *Dependent children in households where head is in National Statistics Socio-economic Classification 6, 7 or 8*

The number of dependent children resident in households where the head of household is classed as being in a semi-routine occupation, routine occupation or never worked or long term unemployed (NS-SeC 6, 7 or 8) (2001 Population Census).

13. *Dependent children in lone adult households*

The number of dependent children resident in households where there is only one resident adult (2001 Population Census).

14. *Dependent children in social rented housing*

The number of dependent children resident in households in social rented housing (2001 Population Census).

15. *Dependent children in overcrowded housing*

The number of dependent children resident in overcrowded housing (2001 Population Census).

16. *Pensioners living alone in households*

The number of persons of pensionable age (males and females aged 65 and over) residing alone in households (2001 Population Census).

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

The number of usually resident persons of pensionable age (males and females aged 65 and over) with a limiting long-term illness (2001 Population Census).

18. *Households with a person with limiting long-term illness (where head is aged 18 to 64) with no carer*

The number of households with a person with a limiting long-term illness (where head is aged between 18 and 64) with no carer (2001 Population Census).

19. *Adults in non-white ethnic groups*

The number of persons aged between 18 and 64 in non-white ethnic groups per head of the population aged 18 to 64 (2001 Population Census).

20. *Population aged under 18 in wards with population weighted density greater than 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

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under 18 by the usually resident population and dividing by the area in hectares is greater than the average over all Welsh wards (2001 Population Census).

21. *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 by the National Assembly for Wales from Pion Economics and NWRRL “The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales”) (National Assembly for Wales).

22. *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 by the National Assembly from Pion Economics and NWRRL “The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales”) (National Assembly for Wales).

23. *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 by the National Assembly from Pion Economics and NWRRL “The Derivation of Population Distribution Measures for Use in the Calculations of SSAs in Wales”) (National Assembly for Wales).

24. *Total income support, income based job seekers allowance claimants or pension credit (MIG and non-MIG) claimants*

The estimated number of claimants of income support, income based Jobseekers Allowance claimants or pension credit (MIG and non-MIG), during each year averaged over the three years up to and including that ending in the year prior to data year (Office for National Statistics, NOMIS).

25. *Dependant children in out of work families*

The estimated number of children in out of work families, during the data year (Her Majesty’s Revenue and Customs).

26. *Income support, income based job seekers allowance claimants or pension credit (MIG and non-MIG) claimants aged 18 to 64*

The estimated number of claimants of income support, income-based Jobseekers Allowance or pension credit (MIG and non-MIG) aged 18 to 64, during each year averaged over the three years up to and including that ending in the year prior to data year. (Office for National Statistics, NOMIS).

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27. *Income support claimants or pension credit (MIG and non-MIG) claimants aged 65 and over*

The estimated number of income support or pension credit (MIG and non-MIG) claimants aged 65 and over, during each year averaged over the three years up to and including that ending in the year prior to the data year (Office for National Statistics, NOMIS).

28. *Severe disablement allowance and disability living allowance claimants aged under 65*

The estimated number of recipients of severe disablement allowance and disability living allowance aged under 65 (all entitled cases), during each year averaged over the three years up to and including that ending in the year prior to the data year (Office for National Statistics, NOMIS).

29. *Number of deaths from all causes*

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

30. *Economic development index*

An index derived from the statistical analysis of Gross Value Added and working age population (see note 1) set out in Distribution Sub Group (2007) Paper 35.

31. *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).

32. *Disabled Facilities Grant mandatory applications received*

The number of Disabled Facilities Grant mandatory applications received, averaged over the three years up to and including that ending in the data year (as reported by councils on form WH06).

33. *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

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councils as part of the Welsh Assembly Government Development Control Quarterly Survey).

34. *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).

35. *New 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 3.2 for principal roads and 1.0 for all other local roads (as derived from estimates reported by councils on form TP1).

36. *Traffic flow*

The annual traffic flow in vehicle kilometres for the data year on principal roads within the council's area (from estimates from the National Road Traffic Survey, Department of Transport).

37. *Street lighting units*

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

38. *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.

39. *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).

40. *Dwellings*

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

41. *Private Dwelling Stock Estimates*

The estimated number of owner-occupied, privately rented and other tenure dwellings in the data year (Data Unit Wales).

42. *Food premises*

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The number of business hereditaments falling within the classes Food (as defined by the National Assembly and agreed by DSG (2000) Paper 55) as at 1 April of the data year (Her Majesty's Revenue and Customs).

43. *Trading premises (including farms)*

The sum of the number of business hereditaments falling within the classes trading (as defined by the Welsh Assembly Government) as at 1 April of the data year (Her Majesty's Revenue and Customs) and the number of farms described as economically active main holdings as at June 2007 taken from the Welsh Assembly Government Agricultural & Horticultural Census 2007.

44. *Land drainage levies*

The estimated amounts levied on the council by the Internal Drainage Boards for the financial year taken from the Annual Reports for the IDBs provided to the Welsh Assembly Government.

45. *National park levies*

The estimated 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)¹.

46. *Sea fisheries levies*

The estimated amounts levied on councils for the financial year by the North and Western Wales and South Wales Sea Fisheries Committees.

47. *Fire Pensions Transfer*

The transfer required for fire pensions to an annually managed expenditure (AME) specific 'top-up' grant as projected by the Government Actuaries Department for 2007-08.

¹ See (i) the National Parks Authorities (Levies) (Wales) (Amendment) Regulations 1996 SI 1996/2913; and (ii) the Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 SI 2001/3649.

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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	7,981,328
Gwynedd	14,092,927
Conwy	11,720,134
Denbighshire	10,949,245
Flintshire	14,442,515
Wrexham	11,894,205
Powys	16,327,696
Ceredigion	9,006,658
Pembrokeshire	13,122,407
Carmarthenshire	19,212,267
Swansea	24,699,605
Neath Port Talbot	14,714,738
Bridgend	13,125,430
The Vale of Glamorgan	10,915,407
Rhondda Cynon Taff	25,990,589
Merthyr Tydfil	6,528,030
Caerphilly	16,829,692
Blaenau Gwent	9,483,012
Torfaen	10,680,762
Monmouthshire	8,043,896
Newport	14,886,109
Cardiff	30,268,702
<i>Wales</i>	314,915,354

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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 2005¹, based on the transfers of total resident population between the areas affected as estimated using information from the 2001 Population Census.
2. Debt financing component of SSAs for councils. The components of debt financing are repayments and interest (for pre- and post-31/04/04 debt), leasing charges and a reduction in respect of capital financing grants. The rate of repayment assumed is 4 per cent and the rate of interest used is the pool rate interest for 2009-10, which is calculated at 5.6%. A detailed description of the calculation is given in paragraphs (a) to (j) below.

Note: In paragraphs (a) to (j) below wherever information is only available for areas other than the areas of the 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 councils (as notified by the Welsh Assembly Government).

(a) The component in respect of capital financing for debts incurred on or before 31 March 2004 and attributed to councils is derived by assuming that the notional levels of credit ceiling are the figures derived from those reported on the COR5 returns for 2005 for the councils and fire authorities. The assumed credit ceilings are given in Table 3. An adjustment is made for two year supplementary credit approvals not wholly taken up in the first year of issue and notified to the Welsh Assembly Government.

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

(b) 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.

¹ The boundary changes made by the Neath Port Talbot and Powys (Cwmtwrch) Order 2004 SI 2004/2746 (W244).

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Table 3 Notional credit ceiling at 31 March 2004

<i>County or county borough councils</i>	Credit Ceiling	
	£000	£ per head of population
Isle of Anglesey	74,510	1,092
Gwynedd	126,848	1,081
Conwy	103,051	931
Denbighshire	98,909	1,043
Flintshire	129,337	866
Wrexham	107,787	832
Powys	142,229	1,107
Ceredigion	78,589	1,032
Pembrokeshire	118,705	1,025
Carmarthenshire	171,392	977
Swansea	235,308	1,047
Neath Port Talbot	137,589	1,013
Bridgend	117,392	901
The Vale of Glamorgan	98,198	815
Rhondda Cynon Taff	239,134	1,031
Merthyr Tydfil	60,243	1,081
Caerphilly	152,277	894
Blaenau Gwent	91,140	1,316
Torfaen	96,562	1,062
Monmouthshire	70,115	813
Newport	138,990	998
Cardiff	283,897	914
Wales	2,872,201	980

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 2009-10.

(d) The component of SSAs in respect of capital financing for debts incurred after 31 March 2004 and attributed to councils is derived by assuming that the new net debt incurred is equal to the supported borrowing figure for the relevant year available to the Welsh Ministers when their calculations were made.

(e) Councils are assumed to repay 4% on a reducing balance basis of any

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notional outstanding loan debt at the start of each financial year in respect of the amounts in (d).

(f) Interest payments on supported borrowing in respect of (d) are determined as the result of applying the pool rate of interest to the average notional debt for 2009-10 in line with the assumptions described in (d) and (e) above.

(g) The capital-financing component of each council in respect of debts incurred on or before 31 March 2004 is the sum of:

the repayments for 2009-10 described in (b) above and the interest payments described in (c),

(h) The capital-financing component of each council in respect of debts incurred after 31 March 2004 is the sum of:

the repayments for 2009-10 described in (e) above and the interest payments described in (f),

(i) The component in respect of leasing charges and attributed to councils is assumed to be equal to a weighted average of the latest three years of financial data on leasing charges available to Welsh Ministers when the calculations were made, derived from those figures reported on the RO 2006-07, RA 2007-08 and RA 2008-09 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 councils is derived from information on the amount payable to each probation committee area and magistrate's court committee area in the year 2008-09, provided by the Home Office and HM Courts Service.

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Table 4 Total standard spending assessments for each council

<i>County or county borough councils</i>	Standard spending assessment	
	£	£ per head of population ¹
Isle of Anglesey	116,654,853	1,691
Gwynedd	208,495,309	1,761
Conwy	184,782,429	1,654
Denbighshire	166,024,708	1,711
Flintshire	233,098,354	1,548
Wrexham	199,613,104	1,513
Powys	225,709,123	1,710
Ceredigion	124,254,043	1,598
Pembrokeshire	203,024,604	1,722
Carmarthenshire	303,126,496	1,688
Swansea	367,669,626	1,612
Neath Port Talbot	231,638,499	1,686
Bridgend	216,335,534	1,615
The Vale of Glamorgan	195,191,734	1,574
Rhondda Cynon Taff	396,892,872	1,698
Merthyr Tydfil	97,902,137	1,760
Caerphilly	294,545,442	1,714
Blaenau Gwent	121,650,398	1,759
Torfaen	154,705,423	1,698
Monmouthshire	133,522,621	1,514
Newport	234,524,338	1,673
Cardiff	493,466,761	1,537
Wales	4,902,828,408	

¹ 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 I 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 and three-ninths for a band I 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. The description of how the tax base is calculated and used in the calculation of RSG is at paragraph 3.5 in section 2 of this Report.

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 Welsh Assembly Government'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 Welsh Assembly Government 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 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)¹. 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.

Specified bodies are bodies which provide services for local authorities and are specified in the Revenue Support Grant (Specified Bodies) (Wales) Regulations 2000 (as amended)².

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.

¹ See the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 1999 SI 1999/2935 (W27) and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 SI 2004/3094 (W268).

² See the Revenue Support Grant (Specified Bodies) (Amendment) (Wales) Regulations 2003 SI/706 (W.85) and the Revenue Support Grant (Specified Bodies) (Wales) (Amendment) Regulations 2006 SI 2006/764 (W.73).

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ANNEX 4: STATUTORY BASIS FOR THE REPORT

1. The Local Government Finance report is made under section 84G (Local government finance reports) of the Local Government Finance Act 1988 (“the 1988 Act”) as amended by the Local Government Act 2003 (“the 2003 Act”). Section 84G was inserted into the 1988 Act by section 40 and paragraph 1 of Schedule 2 to the 2003 Act. The report will have effect for the financial year 2009-10 if approved by resolution of the National Assembly for Wales.

Amount of RSG and redistributed non domestic rates

2. Section 84F (Determination of grant) of the 1988 Act requires the Welsh Ministers to determine the amount of RSG for each financial year; how much they propose 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 Revenue Support Grant (Specified Bodies) (Wales) Regulations 2000 (as amended by the Revenue Support Grant (Specified Bodies) (Wales) (Amendment) Regulations 2003 SI 2003/706 (W.85) and the Revenue Support Grant (Specified Bodies) (Wales) (Amendment) Regulations 2006 SI 2006/764 (W.73)).

Basis of distributing RSG

4. Section 84G requires Welsh Ministers to make a report setting out its determinations under section 84F and to specify the basis on which RSG is to be distributed amongst the receiving authorities and specified bodies.

Redistributed Non Domestic Rates

5. Paragraph 9A of Schedule 8 (Years where two local government finance reports prepared for Wales) to the 1988 Act requires the Welsh Ministers to specify in the first report the distributable amount from the non-domestic rating account. Under paragraph 11A (Distribution: local government finance reports) of the same Schedule the Welsh Ministers are required to set out in the report the basis (the basis of distribution) on which the distributable amount will be distributed among receiving authorities.