

# CHEPSTOW

## Town Council

Historic Chepstow: *The Way to Wales and the Wye Valley*

See The Chepstow Millennium Web Site at [www.chepstow.co.uk](http://www.chepstow.co.uk)  
e-mail: [chepstow@town10.freemove.co.uk](mailto:chepstow@town10.freemove.co.uk)



LC/PPM

Our Ref: BJ/EMA  
14<sup>th</sup> December 1999

Mr Alun Michael MP  
First Secretary  
National Assembly for Wales  
Cathays Park  
Cardiff CF10 3NQ

MS DEC 1999

Dear Mr Michael

### NATIONAL ASSEMBLY BUDGET PROPOSALS 2000/2001

I write to express the surprise and great concern expressed by Chepstow Town Council about your proposal to 'top slice' a significant amount from the Total Standard Spending for councils to the major detriment of Monmouthshire Council Tax payers.

I am directed to indicate that the lack of consultation on the issue and the failure to fully consider the damaging effects on residents of this area is to be deplored. In reality there are real pockets of social deprivation in Monmouthshire and the extra burden by the action proposed will be sorely felt. Others are reported to have decided that Monmouthshire is an affluent area and can be called upon to bale out more deprived areas of the country: this perception is wrong and inappropriate.

Chepstow Town Council would welcome verification of what action you have taken and why and also what specific power you are using to apply a penalty to Monmouthshire Council Tax payers. In Monmouthshire public expenditure is kept to a bare minimum, in the face of the great difficulties experienced due to the fragmented rural nature of the county, and it is considered that the rationing of resources should not be followed by the reward of further financial penalty for any reason. If you can go on to advise that you are prepared to reconsider the matter the news would be most welcome.

Yours sincerely

Brian Jones  
TOWN CLERK

c.c. D Davies AM  
M German AM  
Mrs Joyce Redfearn, Chief Executive, Monmouthshire County Council

Our Ref/Ein Cyf:  
Your Ref/Eich Cyf:  
Date/Dyddiad:

HGJ/EH /  
SF99/3362  
13 December 1999

Rt Hon Alun Michael JP MP AM  
First Secretary  
National Assembly for Wales  
Cathays Park  
CARDIFF CF10 3NQ

Dear *Alun*

### **LOCAL GOVERNMENT REVENUE SETTLEMENT, 2000-01**

Thank you for your letter of 6<sup>th</sup> December about the Settlement next year. The Association understands the difficulty faced by the Assembly in arriving at a Settlement for local government while addressing other pressing needs. The outcome is one of mixed blessings for local authorities and council taxpayers. At long last we have the freedom to increase our expenditure to levels which can begin to repair the damage caused by the real term cuts imposed by central government over the last two decades or so. But this can only be achieved by passing the cost to our council taxpayers; a cost which a large number can ill afford to pay. There are significant political judgements to be made about this before budgets are set.

We have consistently advised the Assembly that a headline tax increase of 11% was unrealistic and have pressed for a grant increase which more closely matched that for expenditure. We regret that it has not proved possible for the Assembly to narrow the gap; not least because doing so would have eased significantly the tensions which influenced our discussions about damping.

You will know from my letter of 22 November that the way in which the council tax damping scheme was negotiated and handled caused enormous controversy amongst members of the Association and amongst council taxpayers. In consequence the decision to opt for the £17 million scheme was reached with great difficulty, and the effects will take some time to heal. Even a small gesture by the Assembly, such as a £5 million contribution, would have been and still could be a great help.

We have already drawn to your attention our concern about the ability of all of our member authorities to deliver in full the increases for Education and Social Services which the Assembly has indicated. The potential council tax effect for 12 authorities is more than 10%, including 8 with increases of more than 12%, and 2 of more than 15%. The absence of any intention by the Assembly to monitor Social Services budgets is welcome, although I envisage that there is bound to be some curiosity both by the Assembly and on our side about the budget outcomes. But the prior announcement of the shares of the £91 million for Education for each authority could lead more directly to conflict.

What the Association is looking for is a public acknowledgement by the Assembly that some authorities may find it impossible to deliver their full shares of both the Education and Social Services monies if, in their judgement, the council tax effect would be too great for their taxpayers to bear. This will be a predominant topic for discussion at the meeting of the Consultative Forum on Finance on January 11<sup>th</sup> when the Association will be giving its reactions to the Settlement proposals as a whole. I hope that it will prove possible to take the heat out of the issue by the time of the next Partnership Council meeting on February 7<sup>th</sup>.

We also need to find a process for monitoring the education spending decisions taken by councils which avoids the need for the sort of bureaucratic nonsense which bedevilled the arrangements this year. Perhaps our officials should advise us on the matter.

Finally, I would echo your sentiments about the need for clarity of the objectives shared by the Partnership. This underlines the importance of developing policy agreements, switching the emphasis away from resource inputs and towards targets and outcomes. I trust that this will form the centrepiece of the next Partnership Council meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Harry Jones', with a long horizontal line extending to the right from the end of the signature.

**Councillor Harry Jones CBE**  
Leader of the Association

12-15-12  
17 DEC 1999

CYNGOR SIR CAERFYRDDIN  
CARMARTHENSHIRE COUNTY COUNCIL

*Grwp Llafur - Labour Group*

*Councillor John D Evans  
1 Argoed Cottage  
Betws  
Ammanford SA18 2PP*

*Tel : 01269 597058*

13<sup>th</sup> December 1999

Rt Hon Alun Michael, AM  
First Secretary  
National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

Dear Mr Michael

**Local Government Revenue Settlement 2000/01**

Further to your announcement on Tuesday of last week of the above, the Group welcomes the overall increase in expenditure of 5.8% contained therein. Such increased spending is badly needed to improve and maintain a range of local services for our communities. With the Assembly not proposing to increase its own contribution to such spending by the same amount, there will obviously be a disproportionate increase in Council Tax.

Of specific concern, however, is that the proposed settlement provides for the "damping" of council tax increases in four of the South Wales valley authorities. We are particularly concerned that the Assembly has not been able to find any additional grant to fund the damping scheme for next year, and has once again had to resort to "top slicing" RSG. The consequence of this is that the taxpayers of Carmarthenshire will be subsidising the recipients of such damping for the fourth consecutive year - an action that is becoming increasingly difficult to justify.

13<sup>th</sup> December 1999

Rt Hon Alun Michael, AM 2/.....

I trust that you will take note of such comments and find the additional resources required. In the longer term it is becoming clear that until a satisfactory formula for allocating grant between local authorities in Wales has been found, the council tax problem will persist in those authorities referred to. We would hope that the new distribution formula being developed, following an independent review, will help towards a satisfactory solution.

Yours sincerely



Councillor John D Evans  
Secretary