

DP 13/99-03



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Assembly Secretary for the Environment and Local Government

**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

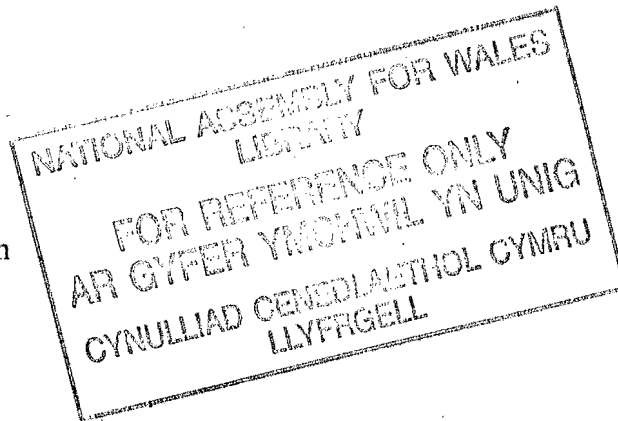
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Deu David

WRITTEN ASSEMBLY QUESTION 2448JS: LOCAL GOVERNMENT FINANCE

In my response to your written Assembly Question, tabled on 25 November 1999 and answered on 29 November, I undertook to write to you with information about how far authorities have been spending above their standard spending assessment in 1999-2000, and how moving total standard spending for 2000-01 into line with actual budgets affected individual authorities.

This information is now available, and I attach an explanatory note and tables, which I hope will be useful.

I am placing a copy of this letter in the Assembly library.

Best wishes

[Signature]

Comparison of SSA and budgets (1), 1999-2000

£ thousand

Authority	SSA	Budget requirement (1)	Budget over SSA	
			Difference	Percentage difference
Isle of Anglesey	67,988	70,173	2,185	3.2%
Gwynedd	118,918	126,373	7,455	6.3%
Conwy	104,949	105,910	961	0.9%
Denbighshire	91,640	97,911	6,271	6.8%
Flintshire	134,954	142,126	7,172	5.3%
Wrexham	112,612	119,671	7,059	6.3%
Powys	131,195	135,260	4,065	3.1%
Ceredigion	70,299	75,543	5,244	7.5%
Pembrokeshire	114,550	117,741	3,191	2.8%
Carmarthenshire	169,038	180,501	11,463	6.8%
Swansea	214,321	225,272	10,951	5.1%
Neath Port Talbot	133,550	148,780	15,230	11.4%
Bridgend	123,462	131,627	8,165	6.6%
The Vale of Glamorgan	109,987	113,397	3,410	3.1%
Rhondda, Cynon, Taff	230,318	255,084	24,766	10.8%
Merthyr Tydfil	59,010	67,098	8,088	13.7%
Caerphilly	163,954	173,280	9,326	5.7%
Blaenau Gwent	70,265	79,584	9,319	13.3%
Torfaen	89,861	92,895	3,034	3.4%
Monmouthshire	75,429	76,509	1,080	1.4%
Newport	130,611	134,287	3,676	2.8%
Cardiff	287,780	299,347	11,567	4.0%
Dyfed Powys police authority	51,738	55,716	3,978	7.7%
Gwent police authority	69,669	71,414	1,745	2.5%
North Wales police authority	75,546	79,555	4,009	5.3%
South Wales police authority	163,841	169,968	6,127	3.7%
Total counties	2,804,694	2,968,369	163,675	5.8%
Total police authorities	360,794	376,653	15,859	4.4%
Total Wales	3,165,488	3,345,022	179,534	5.7%

(1): The budget information used is budget requirement, that is net of spending funded by use of reserves and spending funded by specific grants.

dwelling well below band D). Increasing the level of TSS also increases the council tax for standard spending and hence accentuates the difference in relative shares of RSG.

The data effects are the result of the sort of changes in input data that are experienced each year – there were no formula changes of any consequence for 2000-01. They can not be avoided nor do they give any indication of the effects for individual authorities in future settlements.

Only Monmouthshire has an interaction effect that is of any significance and that compounds the reduction in grant due to methodology and data effects.

Council tax levels

The changes in grant shown in Table A do not show a direct correspondence with the changes in council tax levels shown in Table B; there are two main reasons for this

- the overall increase in council tax due to revised budget assumptions;
- differential changes in taxbase between the 1999-2000 and 2000-01 figures (particularly for Caerphilly who are not damped and increased their assumed collection rate by 1 per cent, hence the decrease in council tax due to budget assumptions/ taxbase);

However, the general pattern is similar to that seen in Table A.

Conclusion

The allocation of grant was, naturally, affected by the changes in data and assumptions since the Partnership Council meeting in October. Increasing TSS for councils into line with budgets, as desired by the Welsh Local Government Association, reduced grant allocations for several authorities. In many cases, the effects of data changes on grant and council tax were more significant. Monmouthshire and the Vale of Glamorgan experience the largest potential impact on council tax as a result of the increase in TSS.

Table A: Effect on total grant (RSG, NDR and damping grant) - with a £17m topslice

£000s

	Method effects:			Data effects:			Interaction effect	Overall change
	Budget assumptions/ taxbase	Increasing TSS	Total change	Capital charges	Indicator data	Total change		
Isle of Anglesey	93	-320	-227	236	-789	-553	-44	-824
Gwynedd	210	-144	66	427	120	547	-5	609
Conwy	35	-419	-384	-326	315	-11	3	-392
Denbighshire	68	13	81	-471	980	509	35	625
Flintshire	-74	-783	-857	-657	910	253	81	-524
Wrexham	-16	87	71	-147	-275	-422	-11	-363
Powys	-115	-485	-599	102	-94	9	-26	-616
Ceredigion	658	-186	472	647	-42	604	5	1,081
Pembrokeshire	-4	-513	-517	230	105	335	11	-171
Carmarthenshire	-95	390	295	450	-416	34	14	343
Swansea	-63	-43	-106	-381	-980	-1,361	-46	-1,514
Neath Port Talbot	-201	1,253	1,052	133	-779	-647	41	447
Bridgend	-26	-18	-45	251	196	447	15	417
The Vale Of Glamorgan	-135	-1,207	-1,342	106	581	687	-25	-680
Rhondda Cynon Taff	396	1,980	2,376	209	-1,237	-1,028	71	1,420
Merthyr Tydfil	-53	478	424	50	-296	-246	17	195
Caerphilly	-32	874	843	-87	379	292	47	1,181
Blaenau Gwent	-20	574	554	60	-355	-295	18	278
Torfaen	-24	155	131	155	238	393	20	544
Monmouthshire	-97	-915	-1,012	-73	-107	-180	-323	-1,515
Newport	41	48	89	-22	619	597	65	750
Cardiff	-473	-817	-1,290	-892	928	36	38	-1,215

Note: the bulk of the increase in grant for Ceredigion due to budget assumptions/ taxbase assumptions is actually due to the inclusion of the revenue consequences of a new PFI project in Ceredigion's SSA for all calculations subsequent to the October Partnership Council figures.

Table B: Effect on headline council tax (excluding community councils and discretionary rate relief) - with a £17m tops

	Method effects:			Data effects:			Interaction effect	Overall change
	Budget assumptions/ taxbase	Increasing TSS	Total change	Capital charges	Indicator data	Total change		
Isle of Anglesey	4	12	16	-9	30	21	2	39
Gwynedd	5	3	9	-10	-3	-12	0	-4
Conwy	4	10	14	8	-7	0	0	14
Denbighshire	4	0	4	14	-30	-15	-1	-13
Flintshire	3	15	19	13	-18	-5	-1	12
Wrexham	6	-2	4	4	7	10	0	14
Powys	6	10	16	-2	2	0	0	16
Ceredigion	5	7	12	-25	2	-24	0	-12
Pembrokeshire	3	12	15	-5	-2	-8	0	7
Carmarthenshire	5	-7	-2	-8	7	-1	0	-2
Swansea	6	1	6	5	12	17	1	24
Neath Port Talbot	12	-29	-17	-3	18	15	-1	-3
Bridgend	6	0	6	-6	-5	-10	0	-4
The Vale Of Glamorgan	1	26	27	-2	-12	-14	0	13
Rhondda Cynon Taff	12	-29	-17	-3	18	15	-1	-3
Merthyr Tydfil	12	-29	-17	-3	18	15	-1	-3
Caerphilly	-6	-17	-23	2	-7	-6	-1	-29
Blaenau Gwent	12	-29	-17	-3	18	15	-1	-3
Torfaen	-2	-5	-7	-5	-8	-13	-1	-21
Monmouthshire	3	26	28	2	3	5	9	42
Newport	-1	-1	-2	0	-13	-13	-1	-17
Cardiff	1	8	8	8	-9	0	0	8
Total	4	0	4	0	0	0	0	4