

**Sue Essex AM**

Minister for Finance, Local Government and Public Services  
Y Gweinidog dros Gyllid, Llywodraeth Leol a Gwasanaethau Cyhoeddus

QUESTION 5 OAQ 37563

21 SEPTEMBER 04

Our ref:  
Your ref:

DP 601/03-07



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

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6 October 2004

*Dear David*

In the exchange following question 5 of the First Minister's questions on <sup>21</sup>~~23~~ September 2004 the First Minister indicated that I would write to you in response to your question regarding Assembly funding for Welsh local authorities in the light of council tax rebanding.

As you will appreciate, it is not possible for me to go into detail at this point on the increase in the revenue settlement for next year as the Assembly's budget for the next three years has not yet been published. How any overall increase in Assembly support for local government impacts on individual authorities is dependent on the settlement formula.

The distribution of the revenue settlement is dependent on the standard spending assessment (SSA) for each authority. The SSA is an assessment of the need to spend by each authority to provide a consistent level of service across Wales. The level of revenue support grant provided to each authority is the amount required to make up the balance of funding after taking account of the assumed level of council tax income and the allocation of redistributed national non-domestic rate income.

The assumed level of council tax income will be based on the new property bandings therefore if a property has moved up one band the assumed level of council tax income that the council will be expected to receive in respect of that property will be the council tax based on that higher rate banding. Similarly if a property moves down a band then the council tax income assumed will be based on the lower banding. Where an individual moves up two or more bands we will assume council tax income in line with that banding. In such cases the transitional relief scheme will provide the element of income to the authority in place of the additional income due from the householder resulting from moving up more than one band.

I hope that answers your question.

*Best wishes*

*Sue*



BUDDSODDWR MAWN POBL  
INVESTOR IN PEOPLE