

Mark Drakeford AM/AC  
Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol  
Cabinet Secretary for Finance and Local Government



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA-P/MD/7732/16

To:  
Leaders of County and County Borough Councils in Wales

Copied to:  
Chief Executives and Directors of Finance, County and County Borough Councils in Wales  
Chief Executive and Director of Finance, Welsh Local Government Association

21 December 2016

Dear colleague

Today I am announcing details of the Final Local Government Revenue and Capital Settlements for 2017-18 for county and county borough councils in Wales. The Cabinet Written Statement is attached for your information.

Through this announcement, I propose to set local government revenue funding for 2017-18 at £4.114 billion. The final funding announced today constitutes an increase of £10 million compared to 2016-17, when adjusted for transfers into and out of the settlement. This represents an increase compared to the funding I announced in October, mainly as a result of adding £6 million of funding for the prevention of homelessness.

There have been some changes to individual authority allocations from the provisional settlement. These changes largely reflect the inclusion of updated tax-base data.

I have carefully considered the responses to the consultation on the provisional settlement before determining the final settlement. The responses did not identify any matters which required a change of approach for the final settlement.

In line with our *Taking Wales Forward* commitment, I have preserved the funding floor announced in October and have provided £1.6 million of funding to ensure that no authority sees a reduction of greater than 0.5% compared to its 2016-17 allocation and top-up funding.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)  
[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Capital funding for 2017-18 amounts to £433 million. Within this, the unhypothecated general capital funding for 2017-18 has been consolidated into a single funding stream which in total is unchanged at £143 million.

Full details of the Settlement are being published on the Welsh Government website. This information, together with the details I am making available on the revenue and capital grants to be provided to local government, gives you the information you need to set your budgets and council tax levels for 2017-18.

Separately, the Welsh Government is making an additional £10 million available to local authorities for domiciliary care purposes. Further information will be provided on this in due course. I am also including an additional £10 million in the final budget to provide non-domestic rates relief for businesses on the high street.

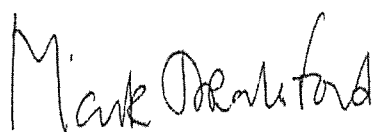
I would like to remind you of the requirement on every authority to comply with the general equality duties set out in the Equality Act 2010, and also the specific equality duties where applicable. The equality impacts of budgetary options should be assessed and inform any final decisions.

You also need to take account of your duties under the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language Standards in preparing your plans for 2017-18.

This final settlement provides you with the information you need to plan your budgets for 2017-18. I would strongly encourage you to consider how you can best engage with your local communities in formulating your proposals and making budget decisions.

I will now proceed to lay the *Local Government Finance Report No 1* for 2017-18 for debate in the Assembly on 17 January 2017.

Yours sincerely

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style with a large initial 'M'.

**Mark Drakeford AM/AC**

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