

Distribution Sub-Group (2018) Paper 30 – Updates for the 2019-20 Final Settlement

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Updates for the 2019-20 Final Settlement

Summary

1. There will be several updates to the 2019-20 provisional settlement following the collection of more recent data and the confirmation of budgets. The Final Settlement is due to be published on 19 December 2018 – the day after the Welsh Government Final Budget.
2. DSG members are asked to note the outlined changes between the provisional and final settlements.

Planned updates;

Data updates

3. Tax base figures for Local Authorities will be updated with the most recent 2019-20 data available during November. The 2019-20 Provisional Settlement is based on the 2018-19 tax base.
4. The Bank of England latest quarterly average of yield from British Government Securities figure for September is now available and will be updated in the Pool Rate model.
5. Final Specified Bodies data needs to be confirmed by the WLGA and the top slice will be adjusted accordingly.
6. Amendments have been made to the Revenue Outturn data following routine validations with local authorities. The updated RO data will be reflected in the Final Settlement.
7. Minor data changes are expected due to late submissions.

Transfers and New Responsibilities

8. There are no further confirmed transfers between the 2019-20 provisional and final settlements.
9. Prior to the final settlement, we will consider further evidence collected about the financial impact of increasing the capital limit used in charging for residential care. This will allow a decision to be taken on the next stage of increasing this limit to deliver our commitment to raise it to £50,000 during the lifetime of this Government and to reflect any financial implications of that decision for 2019-20 in the final settlement.

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10. Officials are preparing advice to Ministers for consideration of the potential transfer into the settlement of funding for Social Care related tasks provided by a registered Nurse in Nursing Homes. DSG has already agreed the distribution of this funding, in principle, should it transfer into the RSG.

External factors

11. The Chancellor of the Exchequer announced the UK Government's Autumn Budget on Monday 29 October. Details of any additional allocations of funding within the Welsh Government Budget will be announced through the Final Budget and potentially the final local government settlement

Floor funding

12. Once all of the above have been factored in to the settlement calculation, there will need to be further consideration of the funding floor. This is a matter for the Cabinet Secretary for Local Government and Public Services.

**Local Government Finance and Workforce Partnerships Division
Welsh Government**