

Update on Revenue Grants 2016/17

On 25th November, Welsh Government received a four year financial settlement from Westminster. This settlement was significantly better than expectations: it was broadly a 'flat-line' settlement, which basically means that the allocation from Westminster to Welsh Government will not be cut, in cash terms' for the next four years. In fact the budget should increase in cash terms as follows:

Welsh Government Departmental Expenditure Limit 2015 Autumn Spending Review					
	£bn	£bn	£bn	£bn	£bn
	2015	2016	2017	2018	2019
Revenue	12.9	13.0	13.1	13.2	13.3
Capital	1.5	1.5	1.5	1.6	1.7

This gave local government hope that it might receive a similar settlement from Welsh Government and asking for that didn't appear unreasonable. However, on 9th December Welsh Government announced its financial settlement for local authorities in Wales. The outcome was a 1.4% cut to the Revenue Support grant (RSG), which in cash terms is £57m. While this settlement was better than expected, it was worse than Welsh Government's settlement from Westminster and it's only for 2016/17. For Denbighshire, it has meant making savings of £5.2m. There is no information about what the local government settlement for 2017/18 will be.

However, this is far from being the end of the story. There is over £800m of direct revenue funding from Welsh Government for a range of local services which are allocated through approximately 50 different grants, all with their own individual bureaucracies and additional costs.

Cuts to these grants have a direct impact on local services, but because these budgets are not a part of the RSG settlement, there is little media or even professional attention to what is happening to them. In fact some of these budgets have been severely cut for 2016/17. Enclosed is a list, showing each grant and the allocation for the current year, along with the movement from last year. So far, the total value of grants has reduced by £38m – noting that some have increased (Pupil Deprivation Grant and Young Persons' Discounted Bus/Concessionary Fare Schemes being the two main increases.). The NDR Retail Relief Scheme ended as a consequence of UK Government policy.

The final local government settlement resulted in a cut to RSG of 1.3%, equating to £54m. Added to the cuts to direct grants announced so far, the total is £92m, which is the 'real settlement' for local government in 2016/17, from Welsh Government and is closer to a reduction of 1.8%.

APPENDIX 4

Existing Grant name	2016-17	+ / - £	+ / - %
NDR Retail Relief Scheme	0.000	(17.674)	-100.00%
Education Improvement Grant for Schools	134.000	(8.594)	-6.03%
Regional Collaboration Fund	0.000	(5.174)	-100.00%
Families First	38.352	(5.070)	-11.68%
Post-16 Provision in Schools	101.074	(3.470)	-3.32%
Single Environment Grant	64.320	(2.990)	-4.44%
Communities First Pupil Deprivation Grant	0.000	(1.601)	-100.00%
Flying Start Revenue Grant	76.051	(1.350)	-1.74%
Local Service Board Development Grant (LSB)	0.000	(0.669)	-100.00%
Domestic Abuse Service Grant - CORE	0.608	(0.636)	-51.13%
Schools Challenge Cymru	15.000	(0.600)	-3.85%
Animal Health & Welfare Framework	0.000	(0.500)	-100.00%
Youth Crime Prevention Fund	4.420	(0.480)	-9.80%
CyMAL	1.254	(0.439)	-25.93%
SBRI Innovation Catalyst Programme - Local Authorities	0.200	(0.400)	-66.67%
NDR Open for Business Scheme	0.000	(0.250)	-100.00%
Learning In Digital Wales	0.000	(0.250)	-100.00%
Heads of the Valley & Bridgend Effect Project	0.000	(0.219)	-100.00%
Town Centre Partnerships	0.220	(0.202)	-47.87%
Development of the Seren Network	0.100	(0.200)	-66.67%
Business Improvement Districts	0.045	(0.158)	-77.83%
Bus Revenue Support	0.413	(0.137)	-24.91%
Cardiff Bay Legacy Funding	6.146	(0.107)	-1.71%
Youth Entrepreneurship in FHE	0.819	(0.107)	-11.56%
Remploy ESG	0.115	(0.098)	-46.01%
Mentoring & Networking Support for Head Teachers	0.033	(0.060)	-64.52%
Ceredigion Oil Buying Syndicate	0.000	(0.059)	-100.00%
Private Water Supply Risk Assessment	0.000	(0.004)	-100.00%
Communities First (Clusters)	27.540	0.000	0.00%
Bus Services Support Grant	25.000	0.000	0.00%
Substance Mis-use Action Fund	22.663	0.000	0.00%
Social Care Workforce Development Programme	7.149	0.000	0.00%
Youth Work Strategy Support Grant	2.756	0.000	0.00%
Out of School Childcare Grant	2.300	0.000	0.00%
Road Safety Grant	2.000	0.000	0.00%
School Uniform Grant	0.742	0.000	0.00%
International Education Programme	0.665	0.000	0.00%
Community Cohesion Grant	0.360	0.000	0.00%
Wales Transport Entitlement Card	0.200	0.000	0.00%
Travel Plan Co-ordinators	0.125	0.000	0.00%
Armed Forces Day Funding	0.020	0.000	0.00%
Welsh Language Promotion & Facilitation (LA Element)	0.401	0.026	6.93%
Deprivation of Liberty Safeguard	0.230	0.030	15.00%
Communities LIFT	0.980	0.033	3.48%
Delivering Transformation Grant	2.830	0.060	2.17%
Adult Community Learning	3.811	0.074	1.98%
Bus Revenue Support (Traws Cymru)	2.187	0.687	45.80%
Supporting People	124.400	0.712	0.58%
Young Persons Bus Travel Scheme/Youth Concessionary Fares	9.750	4.750	95.00%
Pupil Deprivation Grant	89.246	7.789	9.56%
Total Comparable Figures	768.525	(37.337)	-4.63%

Transfers Out

Successor Outcome Agreement Grant

Figures Not Yet Available

First World War Commemoration

Concessionary Fares Scheme

New Developments