

# APPENDIX 1



Llywodraeth Cymru  
Welsh Government

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## WRITTEN STATEMENT BY THE WELSH GOVERNMENT

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**TITLE** Final Local Government Settlement 2022-23  
**DATE** 1 March 2022  
**BY** Rebecca Evans MS, Minister for Finance and Local Government

Following today's announcement of the Welsh Government's Final Budget, I am publishing details of the core funding allocations for local authorities for the forthcoming financial year through the Final Local Government Revenue and Capital Settlements for 2022-23 (the Settlement). I am also publishing Wales-level indicative core funding allocations for 2023-24 and 2024-25.

In preparing the final Settlement, I have given careful consideration to the responses I received to the consultation on the provisional settlement, which closed on 8 February. The responses did not identify any matters which required a change of approach for the final Settlement.

Adjusting for transfers, the core revenue funding for local government in 2022-23 will increase by 9.4% on a like-for-like basis compared to the current year. No authority will receive less than an 8.4% increase. In 2022-23, local authorities will receive £5.1bn from the Welsh Government in Revenue Support Grant (RSG) and non-domestic rates (NDR) to spend on delivering key services.

In addition to this, I am publishing information on revenue and capital grants planned for the following three years. For 2022-23, these amount to more than £1.1bn for revenue and over £700m for capital. We are providing these indicative grant values now so local authorities are able to plan their budgets efficiently.

The indicative Wales-level core revenue funding allocations for 2023-24 and 2024-25 are £5.3bn and £5.4bn respectively – equating to an uplift in the first year of £177m (3.5%) and, in the second year, of £128m (2.4%). These figures are indicative and dependent on both our current estimates of NDR income over the multi-year settlement period, and the funding provided to us by the UK Government through the 2021 Comprehensive Spending Review.

Indications are that specific revenue grant funding will continue to be above £1.1bn annually for the duration of this multi-year settlement, and capital grants will be in excess of £700m each year.

Other than a small increase of £96 thousand to the distributable RSG as a result of a technical adjustment, I allocated all available funding into the provisional settlement to give

as much early certainty as I could to authorities. I have no further funding currently available.

As in recent years, our priorities continue to be health and local government services. This significantly increased Settlement will enable local authorities to continue to deliver the services their communities want and need as well as supporting national and local ambitions for the future, including our real living wage for social care commitment and responding to the climate and nature emergency contributing to our Net Zero Wales plan.

This is a good Settlement for local government, including Wales-level core funding allocations for 2023-24 and 2024-25. It provides local authorities with a stable platform on which to plan their budgets for the coming financial year and beyond. We have worked closely with local government and we appreciate the pressures local government is facing. We will continue to protect local government, particularly at this difficult and challenging time.

I am maintaining the approach taken in 2021-22 and am continuing to freeze the non-domestic rates multiplier for 2022-23. I have provided an additional £35m in RSG in 2022-23 to offset the reduced income and a further £1m for the following two years.

Attached to this statement is a summary table setting out the Settlement allocations (Aggregate External Finance (AEF)) by authority. The allocations are derived using the formula agreed with local government. As a result of the formula and related data, the table shows the range of the funding allocations, from an 8.4% increase over the 2021-22 settlement to an 11.2% increase. Given the significant increases, I am not proposing to include a floor this year and have allocated all the available funding in this Settlement.

Further details will be sent to all local authorities and published on the Welsh Government's website: <https://gov.wales/local-government-revenue-and-capital-settlement-2022-2023>

General capital funding for local government for 2022-23 will be set at £150m. This will increase to £200m for the following two years, including £20m in each year to enable authorities to respond to our joint priority of decarbonisation.

The setting of budgets, and in turn council tax, is the responsibility of each local authority. They will need to take account of the full range of funding sources available to them, as well as the pressures they face, in setting their budgets for the coming year.

The motion for the Senedd to approve the Local Government Finance Report (No.1) for 2022-23 is scheduled for debate on 8 March 2022.

## Summary Table

### 2022-23 final Settlement – comparison of 2021-22 AEF (adjusted for transfers) and 2022-23 final AEF, and distribution of the 2022-23 Council Tax Reduction Schemes funding (distributed within AEF) (£000s)

Authority	2021-22 adjusted AEF <sup>1</sup>	2022-23 final AEF	% change on adjusted 2021-22 AEF	Rank	Council Tax Reduction Schemes (within AEF)
Isle of Anglesey	104,872	114,551	9.2%	12	5,240
Gwynedd	195,905	213,214	8.8%	17	8,263
Conwy	167,356	183,311	9.5%	5	9,189
Denbighshire	159,060	173,640	9.2%	15	8,536
Flintshire	212,608	232,179	9.2%	14	9,680
Wrexham	189,233	207,064	9.4%	7	9,275
Powys	192,088	210,261	9.5%	6	8,978
Ceredigion	110,006	119,421	8.6%	19	5,126
Pembrokeshire	179,422	196,257	9.4%	8	8,180
Carmarthenshire	285,262	311,603	9.2%	11	14,006
Swansea	353,571	386,592	9.3%	9	19,339
Neath Port Talbot	237,289	258,073	8.8%	18	15,955
Bridgend	212,755	232,368	9.2%	13	12,866
The Vale Of Glamorgan	168,128	186,015	10.6%	3	9,088
Rhondda Cynon Taf	407,050	441,441	8.4%	21	21,005
Merthyr Tydfil	101,493	110,617	9.0%	16	5,627
Caerphilly	292,712	317,459	8.5%	20	12,651
Blaenau Gwent	120,657	130,797	8.4%	22	8,166
Torfaen	146,560	160,120	9.3%	10	8,500
Monmouthshire	101,003	112,278	11.2%	1	5,918
Newport	240,957	265,617	10.2%	4	10,337
Cardiff	492,095	544,726	10.7%	2	28,076
<b>All Unitary Authorities</b>	<b>4,670,080</b>	<b>5,107,603</b>	<b>9.4%</b>		<b>244,000</b>

Note: Total may not sum correctly due to rounding

1. 2021-22 AEF adjusted transfers of £18.585m (at 2021-22 prices) into and out of the Settlement and for the latest, 2022-23 tax base.