

CYNGOR SIR POWYS COUNTY COUNCIL.

Provisional Settlement Briefing Paper for Cabinet 1st November 2016

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1. Introduction

1.1 This report provides Cabinet with an update on the Provisional Settlement.

2 Provisional Settlement 2017/18

2.1 The Provisional Settlement or Aggregate External Funding (AEF) figure was announced on 19th October at a level of £169.650m. This was better than our assumed level of income. The funding for Powys has decreased by 0.5% or £0.771m. The Wales average was an increase of 0.1%.

2.2 There was a top up included in the Provisional Settlement to limit the reduction for any Authority to 0.5%. Four Authorities including Powys received the top up, for Powys this was £1.374m.

2.3 Powys has £1,284 of funding per capita, compared to the Wales average of £1,318 and the year on year change ranks 15th out of all the Unitary Authorities.

2.4 Average band D council tax set for Powys in 2016/17 was £1,335 which was below the Welsh average of £1,374.

2.5 Powys' settlement sees a favourable change through the implementation of the phased social services formula and less favourable changes in pupils numbers and population projections which are shown in section 3.

2.6 Key points from the settlement are:

2.6.1 Additional Funding was provided under the following areas, these are not hypothecated and the use of funds is for local determination providing the Council with the ability to set its own spending priorities:

- £25m funding for Social Services in recognition of the importance of strong local social services to the long-term success of the health service in Wales, £1.012m for Powys. Distribution of this funding has been made via the Personal Social Services Standard Spending Assessment sector.
- £1m for School transport, £43k for Powys.
- £3m for Town Centre Car Parks, £138k for Powys.
- £4.5m for commitment to increase the capital limits used by local authorities who charge for residential care, from £24,000 to £30,000. This is the first step in the commitment to have a limit of £50,000, £222k for Powys.
- £300k for the full disregard of the War Disablement Pension in financial assessments for charging social care, £12k for Powys.

2.6.2 Grant Transfers were received for the following items:

- Delivering Transformation £112.6k
- Blue Badge Funding £0.4k
- Deprivation of Liberty Standard £10k
- Food Hygiene Rating Scheme £1.8k
- Education Workforce Council Teachers Registration Fees -£43.4k

2.6.3 A number of grants have been combined into one single grant.

- Six Children Services grants have been combined into one grant
- Five Education grants have been combined into two new grants with additional funding for a new grant for Delivery Support
- Two Youth grants have been combined
- The Social Care Workforce Development Programme has been transferred to Social Care Wales.

2.7 The change in the Council Tax base will be calculated on 31st October and set by Cabinet on 22nd November, 2016. Any changes will be reflected in the Final Settlement, with a likely change to the top-up figure.

3 Key Indicators

3.1 The changes to the key indicators are shown in Table 2.

3.2 Powys' Settlement reflects movements in formula indicators like population projections, children in out of work families and claimant counts for those under 65.

3.3 The key data sets shows that Powys was ranked in the bottom 2 in 5 of the key data sets. The population projections have been revised with Powys ranked 21. The primary school numbers increased by 68 pupils but this is lower than across Wales with Powys ranked 17. Secondary school pupil numbers continued to fall both in Powys and across Wales with Powys ranked bottom.

Table 2 Key Indicators

	All Wales	Powys	All Wales	Powys	All Wales	Powys	
Dataset	2016-17 Final	2016-17 Final	2017-18 Provisional	2017-18 Provisional	% Difference	% Difference	Rank
Population - Projections	3,131,170	134,600	3,116,371	132,116	-0.5%	-1.8%	21
Pupil Numbers - Nursery and Primary	257,423	9,881	261,391	9,949	1.5%	0.7%	17
Pupil Numbers - Secondary in year groups 7-11	158,384	6,520	156,986	6,328	-0.9%	-2.9%	22
Free School Meals - Primary	47,125	1,027	46,265	998	-1.8%	-2.8%	14
Free School Meals - Secondary	27,664	654	27,055	638	-2.2%	-2.4%	10
Children in out of work families	138,700	3,300	133,400	3,100	-3.8%	-6.1%	21
Total IS/ JSA/ PC claimants - Under 65	129,068	3,034	106,468	2,366	-17.5%	-22.0%	21
Total IS/ JSA/ PC claimants - 65+	127,130	5,121	121,761	4,908	-4.2%	-4.1%	7
Total IS/ JSA/ PC claimants	256,860	8,178	228,789	7,291	-10.9%	-10.8%	11
SDA & DLA claimants	138,725	4,451	145,035	4,556	4.5%	2.4%	22

4 Distribution Sub Group and Finance Sub Group

- 4.1 Mark Drakeford's statement made reference to the work of both the Distribution Sub Group (DSG) and the Finance Sub Group. The allocation for the individual authorities reflects the most up to date assessment of relative need, based on a wealth of information about demography, physical, economic and social characteristic of every authority in Wales. The Minister implemented the recommendations set out in the DSG annual report, phasing in the agreed changes to the social services formulae over two years, to help smooth the re-distributional effect of these changes.

5 Capital Strategy

- 5.1 The Capital Settlement figure has reduced from £7.490m to £7.473m, a £0.017m change.