

LOCAL GOVERNMENT AND HOUSING COMMITTEE

LOCAL GOVERNMENT REVENUE SETTLEMENT FOR 2001-02: PROGRESS REPORT BY THE ASSEMBLY SECRETARY

Purpose

1. This paper is to provide the Committee with a progress report on the revenue settlement. It does not cover capital funding or progress on developing a new Standard Spending Assessment formula which is being reported on separately.

Timing

2. The preliminary draft budget is to be announced on 19 October.

Background and progress

3. In line with the agreed arrangements for handling this year's strategic and budget planning round the Committee considered the Finance Secretary's commissioning paper on 14 June and discussed my issues paper on 28 June. The Chair wrote to me formally on 11 July requesting that I take account of the Committee's views and keep the Committee informed of progress.

4. I discussed finance issues with local government representatives at meetings of the Consultative Forum on Finance on 5 July and 9 October and the Partnership Council on 10 July and 16 October.

5. Following on from my suggestion, the Committee had the unique opportunity, at the last meeting, to hear first hand the Welsh local Government Association's case for investment in local government services and how this could contribute to *betterwales.com*.

6. The Committee asked me to take account of its views on a number of important local government revenue issues including the need:

- for a substantial increases in revenue support/investment in services ;
- to limit council tax increases; and

- to provide additional resources to ease the transition to a new formula.

7. The Committee is invited to note these issues have been addressed in the context of my budget bid and all featured prominently in the bilateral discussions I had with the Finance Secretary on 18 September.

Compliance

8. General revenue resources are determined and provided to local authorities under the provisions of the Local Government Finance Act 1988. Standing Order 19 sets out how the Assembly must fulfil the duty.

9. There are no issues of regularity or propriety.

Peter Law October 2000