

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru

29 November 2023

Dear Peredur,

The Committee asked whether changing the amount of revenue support grant to local authorities in-year would require primary legislation.

The primary statutory basis is set out in the Local Government Finance Act 1988 (the 1988 Act) (as amended by The Local Government Act 2003). The 1988 Act requires Welsh Ministers to “make a determination” for each financial year, stating the total amount of RSG for that year for receiving authorities and specified bodies, and the amount of grant the Welsh Ministers propose to pay each recipient. This is the Local Government Finance Report (LGFR) . The report also sets out how Non-Domestic Rates (NDR) will be distributed to Councils. The report must be approved by the Senedd each year. The report for 2023-2024 can be found here : [Provisional LGF Report 2022-23 \(gov.wales\)](#).

Whilst there is nothing in the primary legislation which expressly prohibits Welsh Ministers from making a revised LGFR to reduce the overall RSG, the 1988 Act does not contain a provision which permits them to do so either. If the legislature intended to allow the Welsh Ministers to make such revisions, arguably it would have included express provisions – similar to section 86A which allows Welsh Ministers to pay an additional grant following approval of a LGFR by the Senedd – in the 1988 Act. If Ministers nevertheless determined to issue a revised LGFR, the Welsh Government would need to consult upon a second LGFR and the Senedd would need to vote to amend.

Discussion in Committee also linked this to whether local authorities could set a supplementary or increased council tax. There is no legislative provision that enables receiving authorities to re-bill council tax payers for a higher amount as a result of a change in the calculation of the budget requirement following a repayment of the RSG.

Primary legislation would be required to change these arrangements.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans".

Rebecca Evans AS/MS
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Minister for Finance and Local Government

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.