

DISTRIBUTION SUB GROUP (DSG)

Minutes of meeting held on 20th July 2016 at Welsh Government, Cardiff

Welsh Government (WG)

Rob Hay (Chair)
Simon Edwards
Kim Swain

Debra Carter
Judith Cole
Amanda Whittle

Welsh Local Government Association (WLGA)

Dilwyn Williams (Gwynedd)
Chris Barton (Independent)
Chris Lee (RCT)
Jon Rae (WLGA)
David McAuliffe (Blaenau Gwent)
Andrew Stephens (Data Unit Wales)

Joy Robson (Monmouthshire)
Hugh Coombs (Independent)
Hywel Jenkins (Neath Port Talbot)
David Powell (Powys)
Richard Weigh (Denbighshire)

Apologies

Joanna Leek (WG)
Ian Allwood (Cardiff)

Rhys Andrews (Independent)

Welcome and Introductions

1. The Chair recorded apologies.

Minutes and matters arising from the previous meeting

2. There were no comments of accuracy on the minutes from the previous meeting.
3. Paragraph 12: Welsh Government officials shared printouts of the past allocation of funding and future forecasts on Additional Learning Needs. The group requested that a paper be brought to a future meeting on this.
4. **Action: Welsh Government officials to bring a paper back to a future meeting looking at the distributional implications of transferring Additional Learning Needs funding into the Settlement.**
5. Paragraphs 21 & 26: Papers have been tabled for these actions under items 3 & 5 respectively.
6. Paragraph 31: Not all Universal Credit data relating to the 2017-18 was available, so the paper would be provided at a future meeting.
7. Paragraph 32: Welsh Government officials presented their findings on the postcode rollout for PIP claimants, but concluded that this could not be categorised on an authority by authority basis.
8. DSG members queried the impact of the successful appeals regime and requested that this be considered in any further paper.
9. **Action: Welsh Government officials to provide a paper at the September DSG meeting, to measure the impact against the actuals, for both Universal**

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Credit and Personal Independence Payment, including analysis of any impact of the successful appeals regime.

10. Paragraph 36: Craig Mitchell was put forward as the WLGA representative to sit on the Waste Funding Sub Group.
11. **Action: Welsh Government officials to invite Craig Mitchell (WLGA representative) to future Waste Funding Sub Group meetings.**
12. Paragraphs 37 & 42: Oral items have been tabled for these actions under items 7 & 6 respectively.
13. Paragraph 41: Welsh Government officials have been in discussions with education policy colleagues and will invite them to future meetings of the Education Distribution Formula Sub group.
14. Rob Hay updated the group on discussions that took place at the recent Finance Sub Group meeting, with the primary message being that political cover was crucial in taking the key areas of development forwards, such as the education and waste work. Also, the FSG wanted to be kept abreast of the work of DSG on a more regular basis. Jon Rae agreed to manage this from the WLGA side.

DSG (2016) Paper 14 – Funding of Social Care for Prisoners in the secure estate in Wales – further considerations

15. Welsh Government officials presented a follow-up paper explaining that prisoners are included in the population projections data and analysing the potential impact on 2016-17 SSA.
16. Members were asked to discuss the potential implications of the current inclusion of the prison population in the population projections data along with the potential method of transfer in of the grant for 2018-19. The DSG agreed to leave the methodology as it is for the 2017-18 Settlement and include these 2 issues as separate items in next year's work programme.
17. **Decision: The DSG agreed to leave the methodology as it is for the 2017-18 Settlement**
18. **Action: Add the 2 items outlined in paragraph 16 to the 2017 work programme.**

DSG (2016) Paper 15 – Latest RA data for the 2017-18 Settlement

19. Welsh Government officials presented a paper looking at the impact on the 2017-18 Settlement of updating the Revenue Account (RA) data from 2015-16 to 2016-17.
20. DSG members discussed the variety of increases and decreases across the service areas compared to the previous years. The large increase in Other Services was explained. This was due to the Outcome Agreement Grant being transferred into RSG in 2016-17.

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21. The treatment of the council tax reduction scheme (CTRS) within the RO and RA datasets drew differences of opinion on how it should be treated within the SSA framework. As CTRS reduced council tax liability it was clearly not service expenditure but the group agreed to look at it again in 2017.

DSG (2016) Paper 10 – Teacher’s registration subsidy transfer out

22. Welsh Government policy officials brought back the previous paper outlining proposed changes to the School Teachers Pay and Conditions Document (STPCD) and the possible option of transferring a sum of £1,000,000 out of the Settlement in 2017-18.

23. Now that political cover had been provided in the form of a paper that was agreed by the WLGA Council, the Group agreed with the recommendation of option 1 where the £1 million is removed from the Schools Services sector total.

24. **Decision: To recommend the removal of the £1 million to fund changes to the funding of the teachers’ registration fee subsidy on the basis of the schools services sector IBA total.**

25. The group wanted it noted that they did not fully agree with the method for determining the quantum for transfer, in this particular case, but were content to agree the paper.

Oral Updates – Education Distribution Formula Group Update and Waste Funding Group.

26. Welsh Government officials provided updates from both sub-group meetings.

27. The group, as a whole, felt that progress on the two work streams had been slow and that this was, perhaps, driven by the absence strict milestones and deadlines. Welsh Government officials re-iterated the need to secure political cover in both areas.

28. **Action: Welsh Government officials to prepare and circulate notes of the Education Distribution Formula Group meeting.**

Oral Update – Population Projections

29. Welsh Government officials informed the Group that the latest population projections data (based on 2014 mid-year estimates) will be available in September, which means it will be very close to the publication of the provisional settlement. The DSG may not have time to consider, in detail, the distributional implications of using the updated data before publication of the Settlement.

30. To give the DSG an idea of the possible implications, the Group asked for a comparison of the existing mid-year estimates for 2014 against the population projections for 2014 based on 2011 estimates.

31. **Action: Welsh Government officials to produce a paper comparing the existing mid-year estimates for 2015 against the population projections for 2015 based on 2011 estimates.**

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Oral Update – PLASC data for use in the 2017-18 Settlement

32. Welsh Government officials informed the Group that the Local Government Finance team have been given pre-release access to the 2016 PLASC data and have carried out their own validation checks.
33. It was agreed that a paper on the impact of the 2016 PLASC data will be circulated via email correspondence following the publication of the *School Census Results, 2016* Statistical First Release on 27th July 2016.
34. **Action: Welsh Government officials to produce and circulate a paper on the impact of the 2016 PLASC data following the publication of the *School Census Results, 2016* Statistical First Release on 27th July 2016.**

Any Other Business

35. Jon Rae asked for publication dates, which were identified as follows:

- Draft Welsh Government Budget – 18 October
- Provisional Local Government Settlement – 19 October
- Final Settlement – December

Dates and venues of next meetings

36. The dates for forthcoming meetings in 2016 are as follows:

- Tuesday 13 September 2016 – Welsh Government, Cardiff
- Wednesday 16 November 2016 – Welsh Government, Cardiff

Welsh Government