

DISTRIBUTION SUB GROUP (DSG)

Minutes of meeting held on 13 September 2016 at Welsh Government, Cardiff

Welsh Government (WG)

Rob Hay (Chair)
Simon Edwards
Kim Swain

Joanna Leek
Judith Cole

Welsh Local Government Association (WLGA)

Ian Allwood (Cardiff)
Joy Robson (Monmouthshire)
Hywel Jenkins (Neath Port Talbot)
Rhys Andrews (Independent)

Jane Thomas (Powys)
Andrew Stephens (Data Unit Wales)
Jon Rae (WLGA)
Chris Barton (Independent)

Apologies

Dilwyn Williams (Gwynedd)
Richard Weigh (Denbighshire)
David Powell (Powys)

David McAuliffe (Blaenau Gwent)
Chris Lee (RCT)
Debra Carter (WG)

Welcome and Introductions

1. The Chair recorded apologies and welcomed Jane Thomas, who was deputising for David Powell.

Minutes and matters arising from the previous meeting

2. Local Government DSG members felt the wording of paragraph 21 of the previous minutes did not accurately reflect the discussion around Council Tax Reduction Schemes and would provide an agreed form of words for inclusion in these minutes and the DSG report.
3. Local Government DSG members pointed out that discussions at the last meeting around population projections focussed on updating to 2015-based projections, not 2014-based, as the minutes stated. This discrepancy was due to a misunderstanding of the base year, which was confirmed in the interim as being 2014. DSG agreed to not update the minutes so as not to cause confusion.
4. Paragraph 4: Additional Learning Needs would be added to the 2017 work programme.
5. Paragraph 9: A paper was tabled at item 4 on Welfare Reform considerations.
6. Paragraph 11: There had not been a meeting of the Waste Funding Sub Group since the last DSG meeting, but Craig Mitchell would be invited to future meetings.
7. Paragraph 18: Prisoner populations and funding for social care for prisoners in the secure estate would be included in the 2017 work programme.
8. Paragraph 28: Rob Hay was putting together a note of the last Education Formula Sub Group meeting and would circulate to members.

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9. Paragraph 31: A paper was tabled at item 6 on population projections.
10. Paragraph 34: A paper was tabled at item 3 on PLASC data.

DSG (2016) Paper 16 – Updating the Settlement with 2016 PLASC data

11. Welsh Government officials presented a paper looking at the most up-to-date PLASC data for use in the calculation of the 2017-18 settlement.
12. The DSG agreed the updates to the data but noted some potential concerns around the Free School Meals indicators.
13. **Decision: To update the PLASC data to the latest 2016 data for the calculation of the 2017-18 Settlement.**
14. The group suggested that it might be an option for the future to smooth the indicators over a number of years, as is done with other deprivation indicators, such as benefits claimants.
15. The group also queried whether there was a better indicator of pupil deprivation that would be wholly uninfluenced by local authority policy decisions, such as using benefit claimant data or a national indicator of child poverty. It was agreed that this work should be picked up by the Education Formula Sub Group.

DSG (2016) Paper 17 – Welfare Benefits Reform Update

16. The group considered a paper looking at in-depth analysis on the different benefit claimant indicators used in the Settlement calculations. The group noted data quality issues with the new universal credit and personal independence payment data but felt it was better to include it at this stage to allow a more smooth transition when the datasets become more substantial.
17. **Decision: To amend the Severe Disablement Allowance & Disability Living Allowance indicator to include quarterly Personal Independence Payment data, added at the quarterly level for the corresponding age group and averaged over the latest 12 quarters.**
18. **Decision: To amend the Pension Credit, Jobseekers' Allowance & Income Support indicators to include quarterly not in employment Universal Credit data, added at the quarterly level for the corresponding age group and averaged over the latest 12 quarters.**

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

19. Welsh Government officials presented a paper outlining the latest RO data for proposed use in the calculation of the 2017-18 settlement and the impact of updating both the RO and RA data for 2017-18.
20. Fluctuations in settlement allocations as a result of these updates were less pronounced than in previous years. It was noted that as income on cemeteries and crematoria was recorded as greater than expenditure across Wales as a

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whole, this resulted in a negative IBA. The group were content to let this flow through the model as it is reflective of the way in which the service is funded.

21. The group had some further queries on the SSA build and which lines were aggregated to form the individual IBAs. Welsh government officials agreed to circulate details of the build.
22. **Decision: To calculate the SSA build for the 2017-18 settlement using the most up-to-date RA (2016-17) and RO (2015-16) data.**
23. **Action: Welsh Government officials to circulate details of the RO build.**

DSG (2016) Paper 19 – Population Projections and Mid-Year Estimate Comparison

24. Welsh Government officials presented a paper looking at a comparison of the 2014 mid-year population estimates and the 2011-based 2014 population projections, in an attempt to give an indication of the possible effect of updating the base year of population projections from 2011 to 2014.
25. The group agreed that, in line with DSG principles, the population data used for calculation of the 2017-18 settlement should be updated to take account of the latest 2014-based projections, when the data is published on 29 September.
26. **Decision: To update the base of the population projections data in the settlement model from 2011 to 2014 for the 2017-18 settlement.**

Oral Update – Transfers into the Settlement

27. Welsh Government officials updated the group on two additional transfers into the settlement for 2017-18: £10.5 thousand for Blue Badge additional funding and £184 thousand for Deprivation of Liberty Safeguards (DoLS).
28. Officials proposed that both amounts are transferred into the settlement on the Personal Social Services Sector IBA total. Local Government DSG members suggested the funding for DoLS was not sufficient to deliver the policy requirements, but noted that this was a matter for the policy area.
29. **Action: To transfer £184 thousand of funding for Deprivation of Liberty Safeguards and £11 thousand of additional funding for the blue badge scheme into the Settlement based on the Personal Social Services Sector IBA total.**

DSG (2016) Paper 20 – Draft DSG Report 2016

30. The DSG considered a draft of the DSG Report 2016. Members made a number of comments on the future work programme of the group; financial stability of the settlement; the recording of the PSS sparsity work and the detail of the annexes. Welsh Government officials noted the specifics of the points and will update the report and re-circulate to members for agreement, ahead of the Finance Sub Group meeting on 4 October.

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31. **Action: Welsh Government officials to update the report and re-circulate to members for agreement, ahead of the Finance Sub Group meeting on 4 October.**

Any Other Business

32. Local Government members of the DSG asked for an update on the position on funding for temporary accommodation following DWP's decision to end the current arrangements. Welsh Government officials indicated they would raise this issue with the relevant policy area within Welsh Government.

Dates and venues of next meetings

33. The date for final meeting in 2016 is as follows:

- Wednesday 16 November 2016 – Welsh Government, Cardiff

Welsh Government