

Distribution Sub-Group (2016) Paper 18 – Latest RO Data for the 2017-18 Settlement

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Latest RO data for the 2017-18 Settlement

Summary

1. This paper looks at the impact on the 2017-18 Settlement of updating the Revenue Outturn (RO) data from 2014-15 to 2015-16.
2. It also looks at the financial implications of updating the RO data alone in the Standard Spending Assessment (SSA) build. *Please note that these figures are being run against the 2016-17 Final Total SSA settlement distribution for the purposes of exemplification.*

Views sought

3. For DSG to note the impact on the distribution of the Settlement of using the latest RO data in the Settlement model and to agree the proposal to allow the negative IBA total for cemeteries and crematoria to flow through the model.

Related papers

4. *Distribution Sub-Group (2015) - Paper 17: Latest RO and RA data for the 2016-17 Settlement*
<http://gov.wales/docs/dsjlg/minutes/150916-distribution-sub-group-paper17.pdf>

Distribution Sub-Group (2014) - Paper 18: Latest RO and RA data for the 2015-16 Settlement
<http://gov.wales/docs/dsjlg/minutes/140910-dsg-paper18.pdf>

Distribution Sub-Group (2014) - Paper 12: Latest RO and RA data for the 2015-16 Settlement
<http://gov.wales/docs/dsjlg/minutes/140707-dsg-paper12.pdf>

Distribution Sub-Group (2013) - Paper 18: Latest RA and RO data
<http://wales.gov.uk/docs/dsjlg/minutes/130719-dsg-paper18-en.pdf>

Distribution Sub-Group (2012) - Paper 32: Latest RA and RO data for 2013-14 settlement.
<http://wales.gov.uk/docs/dsjlg/meetings/120717dsg201232en.doc>

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Background

5. The calculation of SSA sector totals uses the most up-to-date information at a total Wales level on the pattern of budgeted Unitary Authority expenditure (sourced from RA returns). For the 2016-17 Settlement, the 2015-16 RA forms were used. This paper updates the RA expenditure from 2015-16 to 2016-17 for the 2017-18 Settlement.
6. The calculation of SSA service totals within each sector uses information at a total Wales level on the pattern of actual Unitary Authority expenditure (sourced from RO forms). For the 2017-18 Settlement, it is the intention that the latest expenditure data taken from the 2015-16 RO forms are to be used. This will be the subject of a further paper.
7. This paper provides exemplifications of the isolated changes of the RO forms, run against the 2016-17 Settlement.

Changes in the RO data

8. Since the 2014-15 RO expenditure data was last used in the SSA build, there have been no changes to the RO form.
9. Table 1 shows the change in RO service data between 2014-15 and 2015-16. The table shows a variety of increases and decreases across the service areas.
10. The cemeteries and crematoria expenditure line is shown to be negative at an all Wales level. This is down to authorities receiving more funding through income from sales, fees and charges and grants than is spent on the service. This appears to be reflective of the changing way in which the service is being delivered. It is not unusual for individual local authorities to show negative expenditure, but this is usually cancelled out by the remaining authorities.
11. It is proposed to allow the negative IBA total for cemeteries and crematoria to flow through the model to reflect the way in which this service is being funded across Wales.
12. There are monetary decreases in Secondary school teaching and other services (£3.5m) and Secondary school transport services (£3.2m) with the School Services sector. However, there is a monetary increase in Special education (£3.4m).
13. There is a notable decrease in Older adults' residential and domiciliary care (£8.3m) within the PSS sector. The largest increase in expenditure of around £6.6m is attributed to Younger adults' personal social services
14. There are notable monetary decreases in service areas such as refuse disposal (£6.7m), other services (£6.6m) and economic development (£4.4m). There are notable monetary increases in service areas such as refuse collection (£15.1m), which may reflect the way in which the delivery of the waste service is changing as a whole; and council tax administration (£9.8m).
15. There are notable percentage decreases in services such as cemeteries and crematoria (529.4 per cent). This is explained in paragraph 10. There are notable percentage increases in services such as coast protection (124.5 per cent) and PSS administration (57.9 per cent).
16. The data at this stage is still provisional but we do not expect the data to change significantly between the provisional and the final.

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Financial implications

17. Table 2 shows the change in 2016-17 Total SSA when updating just the RO data from 2014-15 to 2015-16. This is to show the isolated effect the latest RO data has on the 2016-17 Settlement. Gwynedd shows the largest increase due to the updated RO expenditure at £332k, whilst Swansea shows the largest decrease in SSA at £199k.
18. Table 3 shows the combined effect of updating both the RO and RA data in the build of the 2016-17 Settlement. Cardiff sees the largest increase in SSA at £359k. Conwy sees the largest decrease in SSA of around £146k. There were no notable changes in percentage shares across the Wales.

Conclusion

19. DSG members are asked to agree to the update of the RO data used in the 2017-18 Settlement to the latest available (2015-16) data and to agree to allow the negative IBA total for cemeteries and crematoria to flow through the model.

**Local Government Finance Policy
Welsh Government**

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Annex A

Table 1: Changes in RO data, by service, all Wales: 2014-15 to 2015-16

Service	2014-15		2015-16		Difference	
	£000s	Shares	£000s	Shares	£000s	Shares
School Services						
Nursery and primary school teaching and other services	1,023,523	21.9%	1,024,748	22.0%	1,225	0.03%
Secondary school teaching and other services	824,743	17.7%	821,284	17.6%	-3,459	-0.07%
Special education	214,568	4.6%	217,995	4.7%	3,427	0.07%
Nursery and primary school transport services	25,922	0.6%	26,069	0.6%	147	0.00%
Secondary school transport services	55,294	1.2%	52,112	1.1%	-3,182	-0.07%
School meals	42,802	0.9%	44,645	1.0%	1,842	0.04%
Other Education						
Adult and continuing education	7,560	0.2%	7,000	0.2%	-560	-0.01%
Adult and continuing education transport	7,416	0.2%	8,377	0.2%	961	0.02%
Youth services	21,375	0.5%	21,208	0.5%	-167	0.00%
Education administration	3,100	0.1%	2,866	0.1%	-234	-0.01%
PSS						
Children and young persons (PSS)	424,769	9.1%	423,139	9.1%	-1,630	-0.03%
Younger adults' personal social services	482,324	10.3%	488,890	10.5%	6,566	0.14%
Older adults' residential and domiciliary care	540,119	11.6%	531,787	11.4%	-8,332	-0.18%
PSS administration	5,861	0.1%	9,256	0.2%	3,396	0.07%
Transport						
Road maintenance	126,190	2.7%	128,341	2.8%	2,150	0.05%
Street lighting	31,680	0.7%	31,193	0.7%	-488	-0.01%
Public transport revenue support	16,208	0.3%	15,531	0.3%	-677	-0.01%
Concessionary fares	9,428	0.2%	9,124	0.2%	-304	-0.01%
Road safety education and safe routes	5,051	0.1%	4,370	0.1%	-681	-0.01%
Other services						
Electoral registration	4,631	0.1%	5,769	0.1%	1,138	0.02%
Recreation	137,811	3.0%	135,510	2.9%	-2,301	-0.05%
Library services	52,423	1.1%	51,372	1.1%	-1,050	-0.02%
Cultural services	33,319	0.7%	30,766	0.7%	-2,554	-0.05%
Economic development	33,774	0.7%	29,331	0.6%	-4,443	-0.10%
Cemeteries and crematoria	260	0.0%	-1,117	0.0%	-1,377	-0.03%
Coast protection	517	0.0%	1,160	0.0%	643	0.01%
Consumer protection	14,629	0.3%	12,978	0.3%	-1,650	-0.04%
Planning	24,171	0.5%	22,535	0.5%	-1,636	-0.04%
Street cleansing	50,417	1.1%	50,825	1.1%	408	0.01%
Food safety	11,716	0.3%	10,814	0.2%	-903	-0.02%
Other environmental health and port health	39,176	0.8%	40,539	0.9%	1,364	0.03%
Refuse collection	76,544	1.6%	91,605	2.0%	15,061	0.32%
Refuse disposal	101,056	2.2%	94,307	2.0%	-6,749	-0.14%
Non HRA housing	32,499	0.7%	30,893	0.7%	-1,605	-0.03%
Council tax administration	30,723	0.7%	40,498	0.9%	9,775	0.21%
Other services	69,981	1.5%	63,385	1.4%	-6,597	-0.14%
General administration	84,001	1.8%	86,477	1.9%	2,475	0.05%
Out-turn services total	4,665,581	100.0%	4,665,581	100.0%	0	0.00%

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Annex B

Table 2: Isolated change in 2015-16 total SSA, when updating the RO data from 2014-15 to 2015-16

Unitary Authority:	2014-15 RO data		2015-16 RO data		Difference	
	£000s	Shares	£000s	Shares	£000s	Shares (percentage point)
Isle of Anglesey	125,347	2.3%	125,449	2.3%	102	0.00
Gwynedd	221,839	4.1%	222,171	4.1%	332	0.01
Conwy	204,382	3.8%	204,276	3.8%	-106	-0.00
Denbighshire	182,572	3.4%	182,549	3.4%	-24	-0.00
Flintshire	253,738	4.7%	253,713	4.7%	-24	-0.00
Wrexham	228,339	4.2%	228,371	4.2%	32	0.00
Powys	236,065	4.4%	236,311	4.4%	246	0.00
Ceredigion	131,151	2.4%	131,224	2.4%	73	0.00
Pembrokeshire	216,784	4.0%	216,805	4.0%	22	0.00
Carmarthenshire	330,855	6.1%	330,878	6.1%	23	0.00
Swansea	407,274	7.5%	407,074	7.5%	-199	-0.00
Neath Port Talbot	258,331	4.8%	258,329	4.8%	-2	-0.00
Bridgend	245,462	4.5%	245,483	4.5%	20	0.00
The Vale of Glamorgan	213,883	3.9%	213,827	3.9%	-57	-0.00
Rhondda Cynon Taf	436,708	8.0%	436,533	8.0%	-176	-0.00
Merthyr Tydfil	109,476	2.0%	109,465	2.0%	-11	-0.00
Caerphilly	330,139	6.1%	330,044	6.1%	-95	-0.00
Blaenau Gwent	132,324	2.4%	132,239	2.4%	-85	-0.00
Torfaen	165,460	3.0%	165,413	3.0%	-47	-0.00
Monmouthshire	141,267	2.6%	141,247	2.6%	-21	-0.00
Newport	271,331	5.0%	271,251	5.0%	-81	-0.00
Cardiff	582,402	10.7%	582,477	10.7%	75	0.00
Total Unitary Authorities	5,425,128	100.0%	5,425,128	100.0%	0	0.00

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Annex C

Table 3: Combined change in 2016-17 total SSA, when updating both the RA and the RO data

Unitary Authority:	2016-17 total SSA using:					
	2015-16 RA data 2014-15 RO data		2016-17 RA data 2015-16 RO data		Difference	
	£000s	Shares	£000s	Shares	£000s	Shares (percentage point)
Isle of Anglesey	125,347	2.3%	125,401	2.3%	54	0.00
Gwynedd	221,839	4.1%	222,029	4.1%	190	0.00
Conwy	204,382	3.8%	204,236	3.8%	-146	-0.00
Denbighshire	182,572	3.4%	182,498	3.4%	-75	-0.00
Flintshire	253,738	4.7%	253,703	4.7%	-34	-0.00
Wrexham	228,339	4.2%	228,412	4.2%	73	0.00
Powys	236,065	4.4%	236,099	4.4%	34	0.00
Ceredigion	131,151	2.4%	131,146	2.4%	-5	-0.00
Pembrokeshire	216,784	4.0%	216,726	4.0%	-58	-0.00
Carmarthenshire	330,855	6.1%	330,787	6.1%	-68	-0.00
Swansea	407,274	7.5%	407,226	7.5%	-48	-0.00
Neath Port Talbot	258,331	4.8%	258,357	4.8%	26	0.00
Bridgend	245,462	4.5%	245,496	4.5%	34	0.00
The Vale of Glamorgan	213,883	3.9%	213,844	3.9%	-40	-0.00
Rhondda Cynon Taf	436,708	8.0%	436,594	8.0%	-114	-0.00
Merthyr Tydfil	109,476	2.0%	109,500	2.0%	24	0.00
Caerphilly	330,139	6.1%	330,058	6.1%	-81	-0.00
Blaenau Gwent	132,324	2.4%	132,245	2.4%	-78	-0.00
Torfaen	165,460	3.0%	165,457	3.0%	-3	-0.00
Monmouthshire	141,267	2.6%	141,223	2.6%	-44	-0.00
Newport	271,331	5.0%	271,331	5.0%	-1	-0.00
Cardiff	582,402	10.7%	582,761	10.7%	359	0.01
Total Unitary Authorities	5,425,128	100.0%	5,425,128	100.0%	0	-0.00