

Distribution Sub-Group (2016) Minutes – 16 November 2016

DISTRIBUTION SUB GROUP (DSG)

Minutes of meeting held on 16 November 2016 at Welsh Government, Cardiff

Welsh Government (WG)

Rob Hay (Chair)	Debra Carter
Simon Edwards	Judith Cole
Kim Swain	Euros Jones
Shelley Heath	

Welsh Local Government Association (WLGA)

Dilwyn Williams (Gwynedd)	Andrew Stephens (Data Unit Wales)
Richard Weigh (Denbighshire)	Jon Rae (WLGA)
David Powell (Powys)	Chris Barton (Independent)
David McAuliffe (Blaenau Gwent)	Chris Lee (RCT)
Hugh Coombs (Independent)	

Apologies

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

Welcome and Introductions

1. The Chair recorded apologies and welcomed Euros Jones and Shelley Heath, who recently joined the Local Government Funding team.

Minutes and matters arising from the previous meeting

2. Paragraph 23: Welsh Government Officials circulated details of the RO build.
3. Paragraph 29: Welsh Government Officials transferred £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.
4. Paragraph 31: Welsh Government Officials updated and re-circulated the DSG report 2016 to members for agreement, ahead of the Finance Sub Group meeting on 4 October.

DSG (2016) Paper 21 – Pool Rate 2017-18

5. Welsh Government Officials presented a paper outlining the pool rate calculations used in the 2017-18 Settlement.
6. The group discussed the paper including the increase of the interest rate, which appeared to be a result of reversing the un-supported borrowing out of the model. The group was content with the figures for 2017-18 but agreed to review the calculation as part of next year's Work Programme.
7. The group identified a couple of errors in the paper. Welsh Government Officials to correct the errors prior to publication. It was noted that the errors did not impact on the overall conclusion.

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8. **Action: Welsh Government Officials to amend the Pool Rate paper prior to publication.**
9. **Decision: To review the reversal of the un-supported borrowing out of the Pool Rate model as part of the 2018-19 work programme.**

DSG (2016) Paper 22 – Increasing Capital Limits for Residential Care

10. Welsh Government officials presented a paper outlining the method of distribution of the £4.5 million in the 2017-18 Provisional Settlement to fund the commitment to increase the capital limit applied by local authorities in charging for residential care.
11. Local Government DSG members expressed their preference to have kept this funding outside of the settlement in year one, but noted the distribution for the 2017-18 settlement and their understanding that this was the only option given the timing of the transfer.
12. The group highlighted concerns that the underlying data are estimates and felt that it would be important to monitor this funding. The group was informed that the new proposal will be monitored by Welsh Government policy colleagues and will provide findings as and when available.

Oral Update – Work Programme 2018-19

13. Welsh Government Officials fed back to the group the discussion that took place at the last Financel Sub Group (FSG).
14. Welsh Government Officials informed the group that the Cabinet Secretary has proposed a seminar-style FSG meeting for 25 January 2017 to aid FSG members' understanding of the DSG programme.
15. The group discussed a number of essential items to be included in the 2018-19 work programme including:
 - Post-16 Special Education Needs (SEN)
 - Welfare Reform (including implications for the Free School Meals indicators)
 - Pool Rate
 - Secure estate
 - Sustainable Waste Management Grant
 - Other Specific Grants (including Independent Living Fund)
 - Prison Populations
16. The DSG suggested that some of these items could be dealt with via correspondence and that this could free up some of the remaining meetings to hold seminar-like discussions on items such as the education and waste funding streams.

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17. **Action: Welsh Government Officials to produce the 2018-19 work programme and invite comments prior to the FSG on the 25 January 2017.**
18. **Action: Welsh Government Officials to consider bringing forward the 26 January 2017 DSG meeting, prior to the FSG meeting.**

DSG (2016) Paper 23 – Terms of Reference

19. Welsh Government Officials presented a paper on the terms of reference 2017. The group was informed of a few changes but that the paper has largely remained the same. Welsh Government Officials invited comments on the draft Terms of Reference paper from members.
20. **Action: Members to provide comments on the draft Terms of Reference paper.**

Any Other Business

21. Welsh Government Officials informed the group that the Local Government Settlement consultation ends on the 30 November 2016.
22. Welsh Government Officials informed the group that the 2017-18 Final Local Government Settlement will be published on the 21 December 2016.

Dates and venues of next meetings

23. The date for 2017 are as follows:
 - 26 January 2017, Welsh Government, Cardiff
 - 29 March 2017, Welsh Government, Cardiff
 - 16 May 2017, Welsh Government, Cardiff
 - 19 July 2017, Welsh Government, Cardiff
 - 14 September 2017, Welsh Government, Cardiff

Welsh Government