

**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 RA data for the 2018-19 Settlement**

### **Summary**

1. This paper looks at the impact on the 2018-19 Settlement of the change in Revenue Account (RA) data between 2016-17 and 2017-18
2. This paper looks at the financial implications of updating the RA data in the Standard Spending Assessment (SSA) build. *Please note that these figures are being run against the 2017-18 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 RA data in the Settlement model.

### **Related papers**

4. Distribution Sub Group (2016) - Paper 15 - Updating the RA Data for the 2017-18 Settlement

*Distribution Sub-Group (2015) – Paper 12: Latest RA data for the 2016-17 Settlement*  
<http://gov.wales/docs/dsijq/minutes/150708-dsg-paper12-en.pdf>

*Distribution Sub-Group (2014) – Paper 12: Latest RA and RO data*  
<http://gov.wales/docs/dsijq/minutes/140707-dsg-paper12.pdf>

*Distribution Sub-Group (2013) - Paper 18: Latest RA and RO data*  
<http://wales.gov.uk/docs/dsijq/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/dsijq/meetings/120717dsg201232en.doc>

## ***Distribution Sub-Group (2017) Paper 09 – Latest RA Data for the 2018-19 Settlement***

### **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 2017-18 Settlement, the 2016-17 RA forms were used. This paper updates the RA expenditure from 2016-17 to 2017-18 for the 2018-19 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 2018-19 Settlement, it is the intention that the latest expenditure data taken from the 2016-17 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 RA forms, run against the 2017-18 Settlement.

### **Changes in the RA data**

8. Since the RA expenditure data was last used in the SSA build, there have been a number of changes to the RA form mainly reflecting changes to specific grants as detailed in Annex B. The changes to the structure of the RA form make no material difference to SSA build. The model has been adjusted to take into account these changes.
9. The tables in Annex A show the change in RA data from 2016-17 to 2017-18 when split into the 8 sectors used in the SSA calculations (Schools services; Other Education; PSS; Transport; Fire; Other Services, Council Tax Reduction Schemes (CTRS) and Capital Financing).
10. Annex A, Table A1 shows that overall budgeted expenditure increased by 1.33 per cent. Other Education shows the highest decrease of 10.12 per cent followed by Capital and Transport which show decreases of 3.05 per cent and 2.08 per cent respectively. The PSS sector shows the largest increase of 3.37 per cent in budgeted expenditure.
11. Annex A, Table A2 shows the change in relative shares of the 8 RA sectors between 2016-17 and 2017-18, using the figures from Table A1.

### **Financial implications**

12. Annex C, Table C shows the changes in the 2017-18 Total SSA when updating the RA data. This is to show the isolated effect the latest RA data has using the 2017-18 Settlement allocations. Cardiff and Swansea have the largest increases in SSA of £0.261m and £0.182m respectively. The largest decreases in SSA are for Powys (£0.257m) and Gwynedd (£0.231m)

### **Conclusion**

13. For the 2018-19 Settlement calculations, it is the intention to use the latest (2016-17) RO data and (2017-18) RA data - in line with Society of Welsh Treasurers (SWT) principles.
14. DSG Members are asked to note this paper and agree to the update of the RA data.

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**Table A1: Change in RA data, by sector, all Wales: 2016-17 to 2017-18**

| Service sector                  | 2016-17          | 2017-18          | Difference    |              |
|---------------------------------|------------------|------------------|---------------|--------------|
|                                 |                  |                  | £000s         |              |
|                                 |                  |                  | £000s         | %            |
| School Services                 | 2,193,685        | 2,221,784        | 28,099        | 1.28%        |
| Other Education                 | 41,503           | 37,304           | -4,199        | -10.12%      |
| PSS                             | 1,462,194        | 1,511,497        | 49,303        | 3.37%        |
| Transport                       | 195,384          | 191,322          | -4,062        | -2.08%       |
| Fire                            | 133,127          | 136,113          | 2,986         | 2.24%        |
| Other Services                  | 895,434          | 907,304          | 11,870        | 1.33%        |
| Capital                         | 355,775          | 344,933          | -10,841       | -3.05%       |
| CTRS                            | 257,706          | 258,011          | 305           | 0.12%        |
| <b>Total Budget requirement</b> | <b>5,534,807</b> | <b>5,608,268</b> | <b>73,461</b> | <b>1.33%</b> |

**Table A2: Change in relative share of RA data, by sector, all Wales: 2016-17 to 2017-18**

| Service sector                  | 2016-17        | 2017-18        | Difference   |              |
|---------------------------------|----------------|----------------|--------------|--------------|
|                                 |                |                | %point       |              |
|                                 |                |                | %point       | %            |
| School Services                 | 39.63%         | 39.62%         | -0.02%       | -0.05%       |
| Other Education                 | 0.75%          | 0.67%          | -0.08%       | -11.30%      |
| PSS                             | 26.42%         | 26.95%         | 0.53%        | 2.02%        |
| Transport                       | 3.53%          | 3.41%          | -0.12%       | -3.36%       |
| Fire                            | 2.41%          | 2.43%          | 0.02%        | 0.90%        |
| Other Services                  | 16.18%         | 16.18%         | 0.00%        | 0.00%        |
| Capital                         | 6.43%          | 6.15%          | -0.28%       | -4.32%       |
| CTRS                            | 4.66%          | 4.60%          | -0.06%       | -1.19%       |
| <b>Total Budget requirement</b> | <b>100.00%</b> | <b>100.00%</b> | <b>0.00%</b> | <b>0.00%</b> |

**Annex B**

**Table B: Key Changes to the 2017-18 Revenue Account Form from 2016-17**

| <b>RA Services page – one line added under Police Services</b> |   |
|--|---|
| 102.15   | Services to Victims and Witnesses of Crime                              |
| <b>RAG – lines amended</b>                                     |   |
| 133  | Adult Community Learning (formerly Community learning)                  |
| 210  | Local Transport Fund (formerly Local Transport Grant)                   |
| 733  | Town Centre Partnerships (now includes tidy towns grant)                |
| <b>RAG – lines removed</b>                                     |   |
| 717  | Outcome agreement grant (was A.I.G.) (transferring into RSG in 2016-17) |
| 718  | Tidy towns grant (Merged with Town Centre Partnerships, line 733)       |
| 729  | Regional collaboration grant (ending in 2015-16, no grant for 2016-17)  |

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**Annex C**

**Table C: Isolated change in 2017-18 total SSA, when updating the RA data from 2016-17 to 2017-18**

| Unitary Authority:               | 2017-18 total SSA using: |               |                  |               | Difference |              |
|----------------------------------|--------------------------|---------------|------------------|---------------|------------|--------------|
|                                  | 2016-17 RA data          |               | 2017-18 RA data  |               | £000s      | Shares       |
|                                  | £000s                    | Shares        | £000s            | Shares        |            |              |
| Isle of Anglesey                 | 127,453                  | 2.3%          | 127,377          | 2.3%          | -76        | 0.00%        |
| Gwynedd                          | 226,413                  | 4.1%          | 226,182          | 4.1%          | -231       | 0.00%        |
| Conwy                            | 207,919                  | 3.8%          | 207,937          | 3.8%          | 18         | 0.00%        |
| Denbighshire                     | 185,620                  | 3.4%          | 185,604          | 3.4%          | -16        | 0.00%        |
| Flintshire                       | 257,526                  | 4.7%          | 257,388          | 4.7%          | -138       | 0.00%        |
| Wrexham                          | 230,510                  | 4.2%          | 230,550          | 4.2%          | 40         | 0.00%        |
| Powys                            | 239,309                  | 4.3%          | 239,052          | 4.3%          | -257       | 0.00%        |
| Ceredigion                       | 134,235                  | 2.4%          | 134,114          | 2.4%          | -121       | 0.00%        |
| Pembrokeshire                    | 219,607                  | 4.0%          | 219,484          | 4.0%          | -123       | 0.00%        |
| Carmarthenshire                  | 335,323                  | 6.1%          | 335,226          | 6.1%          | -96        | 0.00%        |
| Swansea                          | 414,595                  | 7.5%          | 414,777          | 7.5%          | 182        | 0.00%        |
| Neath Port Talbot                | 262,581                  | 4.8%          | 262,718          | 4.8%          | 136        | 0.00%        |
| Bridgend                         | 248,593                  | 4.5%          | 248,602          | 4.5%          | 9          | 0.00%        |
| The Vale of Glamorgan            | 216,807                  | 3.9%          | 216,736          | 3.9%          | -71        | 0.00%        |
| Rhondda Cynon Taf                | 442,518                  | 8.0%          | 442,660          | 8.0%          | 142        | 0.00%        |
| Merthyr Tydfil                   | 109,683                  | 2.0%          | 109,779          | 2.0%          | 95         | 0.00%        |
| Caerphilly                       | 333,301                  | 6.1%          | 333,326          | 6.1%          | 25         | 0.00%        |
| Blaenau Gwent                    | 133,102                  | 2.4%          | 133,190          | 2.4%          | 88         | 0.00%        |
| Torfaen                          | 166,924                  | 3.0%          | 167,023          | 3.0%          | 99         | 0.00%        |
| Monmouthshire                    | 143,880                  | 2.6%          | 143,791          | 2.6%          | -89        | 0.00%        |
| Newport                          | 274,653                  | 5.0%          | 274,775          | 5.0%          | 122        | 0.00%        |
| Cardiff                          | 592,630                  | 10.8%         | 592,891          | 10.8%         | 261        | 0.00%        |
| <b>Total Unitary Authorities</b> | <b>5,503,184</b>         | <b>100.0%</b> | <b>5,503,184</b> | <b>100.0%</b> | <b>0</b>   | <b>0.00%</b> |