

## **DISTRIBUTION SUB-GROUP (DSG)**

**Minutes of meeting held on 11 May 2022 via Microsoft Teams**

### **Welsh Government (WG)**

Judith Cole (Chair)  
Rachel Hughes  
Clare Blake  
Dominic Evans

### **Welsh Local Government Association (WLGA)**

Jon Rae (WLGA)  
Sam Sullivan (Data Cymru)  
Dewi Morgan (Gwynedd)  
Jonathan Davies (Monmouthshire)  
Huw Jones (Neath Port Talbot)  
Ian Allwood (Cardiff)  
Steve Gadd (Denbighshire)

### **Independent members**

Dr Dennis de Widt

### **Apologies**

Emma Smith (Welsh Government)  
Coral Pulman (Welsh Government)  
Carys Lord (Bridgend)  
Barrie Davies (Rhondda Cynon Taf)  
Jane Thomas (Powys)  
Guto Ifan (Independent)  
Chris Barton (Independent)

### **Welcome and Introductions**

1. The Chair welcomed the group to the meeting, recorded apologies and introductions made for the benefit of new members.

### **Item 1: Minutes and matters arising from the previous meeting**

2. There were no comments on the accuracy of the minutes from the last DSG meeting.
3. Actions arising from the previous meeting remain outstanding and carried forward as actions for this meeting.

***Action – Distribution of Frozen Data Sets to be issued to the group***

### **Item 2: Council Tax Reform Update and Discussion**

4. Welsh Government officials explained the background to the Council Tax Reform and the Programme for Government and Co-operation Agreement commitments to a fairer system. A timeline was provided of the previous work since 2016 leading

## ***Distribution Sub-Group (2022) Minutes – 11 May 2022***

up to the current position, including the programme of research summarised in a Summary of Findings on the [Welsh Government website](#).

5. Slide presentation covered the eight key principles which were being considered to inform a public consultation, which included considerations about the council tax yield, timing, formula distribution and transition Council tax band boundaries under a reformed system, if the government wished to proceed, would be determined on the basis of emerging data and early data would be available to understand the impacts at Wales and LA level, which would be considered by this group. Discussion covered the need to support elected member and public understanding, the potential impact of revaluation on the level of funding needed to support CTRS and the need to ensure information was available in good time to allow LAs to plan budgets effectively.
6. Officials said the intention was for consultation in phases, firstly on the broad principles this year and on more detailed proposals later. Engagement with local government was also taking place through meetings of the Minister with Leaders and Finance Cabinet Leads, through FSG, a Local Tax Reform Working Group (which included Chris Lee, Dewi Morgan and Nigel Aurelius). Revs and bens group would also be briefed as would SWT.
7. Members agreed that relevant analysis should be considered through DSG as work progressed and that tax reform should be a standing agenda item for DSG.

***Action – Presentation slides to be circulated***

***Action – Council Tax Reform to be added as an agenda item to the meetings going forward***

### **Item 3: Verbal Update on Planning**

8. Welsh Government officials gave an update on the staffing changes within the team with replacement staff due to start early June and possibly early Autumn for the two vacant posts. The loss of both expertise and experience was significant and there would be a need for new team members to develop understanding.
9. Officials are confident that a robust settlement can be delivered but work may take place later in the year than otherwise planned, be done more through correspondence and additional meetings might be required. The work programme would also need to be prioritised and focussed on care/ maintenance rather than significant development. This would need to be reflected in discussions at FSG. FSG had, prior to the local government elections, sought an early consideration of the timeliness and robustness of the formula data.
10. Chair asked the group for feedback. Members agreed that it would be necessary to focus on core work to support the delivery of the Settlement. A timely, assured basis for planning would be needed by all local authorities. They noted that in recent years capacity for and hence development of the formula had been limited to reactive work for example to respond to the effects of covid on underlying data. Resource would need to be matched to any increased future demands. They

## ***Distribution Sub-Group (2022) Minutes – 11 May 2022***

noted that Leaders might be frustrated if they sought significant change to the formula arrangements.

11. Chair to circulate to the group a draft prioritised work-programme for views on realism by correspondence and discussion at next DSG. Chair would circulate to the group a draft FSG paper for comments and views on whether it would be appropriate for discussion at the July FSG.
12. Members raised the issue of the expansion of Free School Meals (FSM) and the impact this would have on the validity of the FSM indicator used in the formula. The group considering this work was not engaging with DSG and currently expected to collect data on the basis of eligibility prior to expansion. This approach did not seem likely to produce robust data for use. DSG members were concerned also concerned that there would be both a grant and funding through the Settlement with potential for uncertainty and confusion. Chair noted that officials from the Division had been engaging with the FSM delivery group but agreed that there were issues which needed to be resolved. She would seek further clarity and explore attendance at DSG by policy colleagues. Chair agreed to include a future agenda item at the next meeting.

***Action – Circulate Work Programme and Draft Paper for FSG***

***Action – FSM Expansion to be added as an agenda item to the next meeting***

### **Item 4: AOB**

13. Members asked how FSG membership was determined, and Jon Rae explained the basis for determination as part of the WLGA AGM consideration of roles.

### **Close**

#### Dates and venues of next meetings

14. The future dates of meetings are as follows to take place via MS Teams, until further notice:
  - 5 July 2022
  - 13 September 2022
  - 15 November 2022

#### Actions Outstanding

<b>Action</b>	<b>Owner</b>
---------------	--------------

***Distribution Sub-Group (2022) Minutes – 11 May 2022***

Distribution of Frozen Data Sets from previous meeting	WG – Settlement team
Council Tax Reform Presentation slides to be circulated	WG – LG Tax Reform Team
Council Tax Reform to be made an agenda item going forward	WG – Settlement team
Work Programme to be Circulated	WG – Settlement team
Draft Paper for FSG to be circulated	WG – Settlement team
Free School Meals to be made an agenda item at next meeting	WG – Settlement team

**Local Government Finance Policy and Sustainability Division  
Welsh Government**