

## *Distribution Sub Group (2022) – Work Programme 2022*

### **Draft Distribution Sub Group Work Programme 2022**

The work programme for 2022 is in two parts covering the short-term and strategic considerations in relation to the development of the formula. The first section considers those items that have been identified as needing to be considered in order to ensure future settlements (2023-24 and 2024-25 settlements) take account of issues affecting it. The second section considers more strategic aspects of the current formula which it is recommended are reviewed over a longer timescale to ensure the formula is continually improving and remains relevant and fit for purpose.

#### **Shorter Term Considerations**

<b>Item</b>	<b>Description</b>	<b>Timing / Action</b>
<b>General Items</b>		
Post-16 Learning Difficulties and/or Disabilities Specialist Placements	<p>Consideration is being given to changing the arrangements for Post-16 Learning Difficulties and/or Disabilities Specialist Placements. These considerations follow on from the proposals for a new statutory framework for supporting children and young people with additional learning needs (ALN) contained in the Additional Learning Needs and Education Tribunal Bill which was introduced into the National Assembly for Wales on 12 December 2016.</p> <p>DSG will continue to consider the distributional implications of the proposal to transfer responsibility to local authorities for managing these specialist placements, and how this is best placed in practice.</p>	2023-24 at the earliest.
Welfare Reform	<p>As benefit-related data are key components of the settlement, there is a continued need for the DSG to monitor the emerging impact of welfare reform on the data used in the formula.</p> <p>As both short term and long term considerations, we need to assess the current indicators (frozen and unfrozen) to ensure these still reflect a fair and balanced distributional mechanism, given the implications of the changes to the UK Government welfare system.</p>	Ongoing
Population data for future settlements	To monitor the population projections data compared to the latest mid-year estimates to ensure it has not diverged. To review the population data and the retrospective analysis after the publication of the 2021 Census.	From Spring 2022
Housing Benefit dataset	The decision was made previously by the DSG to freeze this data set, due to the impact of the roll out of Universal credit, we will continue to assess potential replacements for this indicator.	2022
Youth service funding	Consider the independent review requested by the interim Youth Work Board	2022

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Free School Meals	Monitor the data and distributional implications arising from all primary school pupils being eligible for FSM, as the indicator would no longer be simply one of deprivation. Alongside this to review the quality of the free school meals (FSM) data for future settlements	From summer 2022, to be implemented for 2024-25
Tourism Data	To assess the suitability of the STEAM data used in the formula and to investigate other potential data sources.	2022
The impact of COVID-19 on data	To assess and agree the treatment of datasets affected by COVID-19, such as: Tourism, Benefits, CTRS, Population and the financial data.	2022
<b>Specific Grants</b>		
Potential transfers into and/or out of the settlement	To consider other potential transfers into the settlement at the appropriate juncture.	Monitor situation with policy.
Advice on the distribution of specific grant funding on an ad hoc basis	To consider the distributional aspects of specific grant schemes, as appropriate, on a timely basis and in line with the Welsh Government guidance on grants.	Monitor situation with policy.
<b>Annual standing papers</b>		
PLASC data updates	An annual standing paper looking at the implications of updating the PLASC data in the settlement formula on the distribution to authorities.	July / September 2022
RO/RA data updates	An annual standing paper looking at the implications of updating the RO and RA data in the settlement formula on the distribution to authorities.	July / September 2022
DSG Progress Report	A report of the progress of the DSG against the 2022 work programme up to July 2022, for presentation at the Finance Sub Group (FSG) meeting in July.	July 2022 (or late June via correspondence)
DSG Report	The final report of the DSG to be signed off by the Finance Sub Group (FSG) in September 2022.	September 2022

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**Strategic Considerations**

Item	Description	Timing / Action
Formula development	<p>Two technical sub groups of DSG were created to consider the potential for developing an alternative approach to the education and waste elements of the formula. This considers an alternative method of distribution, such as based on building it up using unit cost measures for the main components spending.</p> <p>During the course of the pandemic, this work was paused. Going forward, the DSG are considering whether this work stream should continue to be developed through the sub-groups or whether other options are available to progress the work stream.</p>	Sub-group to consider
Wider policy considerations	To respond to any wider policy and reform commitments. The DSG needs to engage with these elements of work at the appropriate time	TBC
2021 Census data	To consider updating the Census data in the settlement with the 2021 Census data which will start to be published from Spring 2022.	From Spring 2022
Re-calibrate distribution weightings	<p>The weightings within each IBA, that are used to distribute funding, have not been re-calibrated for several years. As additional funding has been put in for specific new responsibilities through the years, the weightings are likely to have changed.</p> <p>Officials to consider the impact of recalibrating the weightings within each IBA, to ensure they still reflect the best measure of the need to spend.</p>	From 2022
Frozen data	Consider the frozen datasets in the settlement and investigate alternative options for these.	From 2022
Local Tax Reform	To consider the work on local tax reform and the impact this could have on the Revenue Support Grant. Ensuring DSG are engaged at the appropriate times.	From 2022