

## *Distribution Sub Group (2024) – Work Programme 2024*

### **Draft Distribution Sub Group Work Programme 2024**

The work programme for 2024 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 (2025-26 and 2026-27) take account of issues impacting. 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</b>	<b>Action</b>
<b>General Items</b>			
Post-16 Learning Difficulties and/or Disabilities Specialist Placements	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 ALN and Education Tribunal Bill which was introduced into the National Assembly for Wales on 12 December 2016.	Ongoing	Periodically follow up with policy department for update on timings.

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Population data for future settlements	<p>DSG agreed to use the most up to date population data for the 2024-25 settlement (Mid-Year 2022 Population Estimates).</p> <p>2025-26 settlement investigate financial implications of:</p> <ul style="list-style-type: none"> <li>- Mid-2023 Population estimates.</li> <li>- 2021 based Sub-national Population projections for the year 2025.</li> </ul> <p><b>Release Schedule (Population)</b></p> <p>Mid-2023 population estimates (Summer 2024)</p> <p>Sub National population projections 2021 based (Winter 2024)</p>	DSG will be presented with options in September for the 2025-26 settlement.	Continue to work with KAS population & census statisticians to plan way forward. Produce analysis on Mid-2023 population estimates and 2021 based and Sub National population projections.
Welfare Reform	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.	Ongoing	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.
Housing Benefit dataset	Decision made by DSG to freeze this dataset, due to the impact of the roll-out of Universal credit.	April 2023 onwards	Continue to assess potential replacements for this indicator.
Youth service funding	An independent review was requested by the interim Youth Work Board	Ongoing	Consider the implications of the independent review.

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<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. This includes any transfers as a result of the grant rationalisation programme of work. Any grants identified to move to RSG in 24-25 were don't so on existing distributions – these need to be reviewed for the 25-26 settlement. Further grants may be identified as part of the ongoing work during 24-25 for transfer into the 25-26 settlement.	2024-25 Settlement will see a transfer of more CRMP and as well as several other grants.  Ongoing.	Monitor situation with policy. Prioritise significant transfers. Consider additional resource if necessary to complete.
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.	Ongoing	Monitor situation with policy. DSG requested greater involvement –.
<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.	Autumn 2024	Analysis will be presented at DSG September or November
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.	Autumn 2024	Analysis will be presented at DSG September or November
DSG Progress Report	A report of the progress of the DSG against the 2024 work programme up to September 2024, for presentation at the Finance Sub Group (FSG) meeting in October.	September 2024	Analysis will be presented at DSG September and November. Analysis will presented at FSG in October
DSG Report	The final report of the DSG to be signed off by the Finance Sub Group (FSG) in autumn 2024.	October 2024	Finance Sub Group (FSG) October and report finalised November.

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**Strategic Considerations**

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Wider policy considerations	To respond to any wider policy and reform commitments.	tbc	DSG to engage with these elements of work at the appropriate time.
Monitor the work to identify alternative datasets for a proxy deprivation indicators, instead of eFSM.	Monitor the data and distributional implications arising from all primary school pupils being eligible for FSM, due to potential impact on quality of the indicator for future settlements. 2024-25 used an average of eFSM and TP pupils for the years 2021, 2022 and 2023 as agreed through DSG.	Throughout 2024.	Continue close contact with policy team through working group.
2021 Census data	<p>To consider updating the <a href="#">Census data</a> in the settlement with 2021 Census data published from Spring 2023 onwards. Aggregated <a href="#">Wales Census topic summary statistics</a> are available as well as an <a href="#">interactive map</a>. More detailed analysis broken down by LA, age and other characteristics will be released during 2023 and 2024.</p> <p>Release Schedule (Datasets used in settlement):</p> <ul style="list-style-type: none"> <li>- <a href="#">Adults aged 18 to 64 in non-white ethnic groups (Early 2023)</a>.</li> <li>- <a href="#">Dependent children in households where head is in a low occupational classification. (2023)</a></li> <li>- <a href="#">Dependent children in lone adult households (2023)</a></li> <li>- <a href="#">Dependent children in overcrowded housing (2023)</a></li> <li>- <a href="#">Dependent children in social rented housing</a></li> </ul>	Data has been downloaded in 2023. Analysis will continue from 2024 onwards.	<p>Assess the data when published and subsequently the process of implicating such changes to the settlement model.</p> <p>At this stage we may not be able to implement changes to the settlement due to recalibration of weightings but we can download the data to investigate trends.</p>

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	<p>(2023)</p> <ul style="list-style-type: none"> <li>- <a href="#">Households where head is aged 18 to 64 with no carer (2023)</a></li> <li>- <a href="#">Pensioners living alone in households (2023)</a></li> <li>- <a href="#">Pensioners with a limiting long-term illness (2023)</a></li> <li>- <a href="#">Population aged under 18 in wards with weighted density greater than the Welsh average (Early 2023)</a></li> </ul>		
<p>Continue review of the Census 1991 indicators that include Sparsity and Dispersion</p>	<p><b>Project to replace the Census 1991 Sparsity and Dispersion data with updated measures on Sparsity and Dispersion data:</b></p> <p>A data workshop was held on 6<sup>th</sup> September 2023. This investigated initial analysis in the recalibration of the Nursery and Primary Schools Formula using Census 2011 sparsity data. It also included a presentation from GIS expertise on deriving the 2021 Census settlement threshold indicators.</p> <p><b>1. Recalibration of the Nursery and Primary Schools Formula</b></p> <p><b>Key Actions:</b></p> <ul style="list-style-type: none"> <li>- GIS expertise to liaise with ONS to further understand the methodology of the new settlement threshold data within the context of Wales' topography and pass understanding to DSG.</li> </ul>	<p>April 2024 onwards.</p>	<p>Officials to consider the impact of updates from the Census 1991 data to the Census 2021 data, recalibrating the weightings for the Nursery and Primary Schools IBA, to ensure they reflect the best measure of the need to spend.</p> <p>Analysis to be presented at DSG 21/05/24 and DSG 04/07/24.</p>

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	<ul style="list-style-type: none"> <li>- Settlement team to continue this work and keep DSG updated with progress and findings. The need for additional staffing/ resources will also need to be considered further.</li> <li>- Settlement team will investigate several settlement threshold options within the 2021 census settlement data. This is due to small margins between the regression analysis for suitability of settlement thresholds smaller than 10,000 individuals.</li> </ul>		
Local Tax Reform	<p>Consider the work on local tax reform and the impact this could have on the Revenue Support Grant.</p> <p>Fairer Council Tax Timeline</p> <ul style="list-style-type: none"> <li>- Data analysis: from February 2023</li> <li>- Phase 2 launch: Autumn 2023</li> <li>- Draft List: 1 September 2024</li> <li>- Tax-base estimation: 1 Nov–31 Dec (ref date 31 Oct)</li> <li>- Billing: Feb / March 2025</li> </ul>	Throughout 2024. Council Tax Reform Update on agenda 25/02/24	<p>Ensure DSG are engaged at the appropriate times and aware of any developments from LGFR.</p> <p>Consider issues arising including re-distributional impacts, any phasing etc.</p>