

Distribution Sub-Group (2025) Paper 13 – RO data for the 2026-27 Settlement

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.

Updating the RO data for the 2026-27 Settlement

Summary

1. This paper considers the potential impact on the 2026-27 Settlement of using the latest (2024-25) Revenue Outturn (RO) data. This impact is measured by reviewing the effect of the data change on the previous year's Indicator Based Assessments (IBAs).

Views sought

2. For DSG to consider the potential change in IBAs and determine whether to use the latest RO data.

Related paper

3. Distribution Sub-Group (2025) – Paper 09 - Latest RA Data for the 2026-27 Settlement
4. Distribution Sub-Group (2024) – Paper 16 – Updating the (23-24) RO data for the 2025-26 Settlement
5. Distribution Sub-Group (2024) – Paper 11 - Latest RA Data for the 2025-26 Settlement
6. Distribution Sub-Group (2023) – Paper 17 – RO data for the 2024-25 Settlement
7. Distribution Sub-Group (2023) – Paper 12 – Latest RA data for the 2024-25 settlement

Background

8. The Revenue Account (RA) and Revenue Outturn (RO) are financial data collected and validated by Knowledge and Analytical services (KAS) within Welsh Government. These data are used in the Settlement to distribute Standard Spending Assessment (SSA) at a Wales level.
9. The Group has already confirmed the use of the latest (2025-26) RA data within the 2026-27 Settlement (*Distribution Sub-Group (DSG) - Paper 09 - Latest RA Data for the 2026-27 Settlement* refers)
10. The RA data is used to apportion SSA between each high-level sector (i.e. schools, social services etc.). For example, we assign each service line within the RA data collection form to a settlement sector. We derive the total budgeted net expenditure for each settlement sector and calculate the percentage share from all sectors. This percentage is multiplied out by the total SSA (after removing sector actuals e.g. CTRS, debt financing).
11. The RO data is used to apportion the sector level SSA values to each Indicator Based Assessment (IBA). To do this, we assign each service line within the RO form to an IBA.

Using this data, we aggregate the total net current expenditure (less specific grant funding) at a Wales level for each IBA. The percentage shares of each IBA are calculated and multiplied by the sector total to produce Wales level SSA values. The same process is done for all IBAs in each sector.

Analysis

The RO data collection

12. Since the 2023-24 RO expenditure data was last used in the SSA build, there have been **no changes** to the RO form. The revenue outturn form can be found on the Welsh government [website](#).

Updating the RO data

13. Table 1 in Annex A shows the change in net current expenditure (less grant funding) between 2023-24 and 2024-25 by IBA. The largest relative share **decrease** in RO can be seen in the 'other services' IBA (1.44 percentage points). The largest relative share **increase** can be seen in the younger adults' personal social services IBA (0.54 percentage points).
14. Table 2 in Annex A shows the change in proportion of RA expenditure for each sector and the change from 2024-25. This shows that the 'PSS' sector had the largest **increase** (up 1.04 percentage points), and the 'Other' sector had the largest **decrease** (down 1.24 percentage points).

Redistribution implications

15. Table 3 in Annex B shows the isolated impact on the 2025-26 Aggregate External Finance (AEF) when updating from the current 2023-24 RO data to the 2024-25 RO data. Gwynedd and Powys have the largest monetary increases in AEF of £1,346k and £928k respectively. The largest monetary decreases in AEF are for Cardiff (down £828k) and Newport (down £610k).
16. Table 4 in Annex B shows the combined impact in the 2025-26 Aggregate External Finance (AEF) when updating both the RO (2024-25) and RA (2025-26) data¹. Rhondda Cynon Taff and Neath Port Talbot have the largest monetary increases in AEF of £544k and £458k respectively. The largest monetary decreases in AEF are for Cardiff (down £764k) and Monmouthshire (down £560k).
17. Tables 5a, 5b and 5c in Annex B shows the combined impact of the main 2025-26 SSA sectors when updating both the RO (2024-25) and RA (2025-26) data. Table 5a shows the redistribution of £31.8m into the education sector and Table 5b shows the redistribution of £80.1m into the PSS sector. Table 5c shows the redistribution of around £110.7m out of the transport and other services sectors.

¹ The Group has already approved the use of the latest (2025-26) RA data in the 2026-27 Settlement model (ref: 2025 Paper 09 - Latest RA Data for the 2026-27 Settlement)

Options

18. Members are asked to consider the following two options for the 2026-27 Settlement:

Option A: Continue to use 2023-2024 RO data

19. The limitation of freezing the dataset for a year is that it increases the risk that when the data is next updated the changes are larger, resulting in a greater re-distribution of funding. However, this option would be appropriate if members had concerns over using the updated data.

Option B: Use the latest 2024-25 RO data

20. This option would be appropriate if members had no or very limited concerns over using the updated data completely.

Conclusion

21. Members are asked to consider the 2024-25 RO data as set out below in Annex A and whether this data reflects the current financial environment and decide on an option for the 2026-27 Settlement.

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

Table 1: Changes in RO net current expenditure (less grant funding), 2024-25 vs 2023-24

IBA Service Area	Form	Row(s)	Columns	2023-24		2024-25		Relative change (pp)
				RO Amount (£000s)	RO share (%)	RO Amount (£000s)	RO share (%)	
Nursery and primary school teaching and other services (less delegated nursery and primary school catering): (less additional learning needs): (less school transport): (less non-delegated nursery and primary school catering):	RO1 RO1 RO1 RO1	430+431+98 7+206 300+301+360+361 390+391 316.1+316.2	10+11 5+8 10+11 10+11 10+11	1,263,567	19.0%	1,308,310	19.0%	0.02
Secondary school teaching and other services (less delegated secondary school catering): (less additional learning needs): (less school transport): (less non-delegated secondary school catering):	RO1 RO1 RO1 RO1	432 18 302+362 392 316.3	10+11 5+8 10+11 10+11 10+11	1,078,145	16.2%	1,134,604	16.5%	0.29
Special education (less delegated special school catering): (plus pre and primary additional learning needs): (plus secondary additional learning needs): (less non-delegated special school catering):	RO1 RO1 RO1 RO1	433 29 300+301+360+361 302+362 316.4	10+11 5+8 10+11 10+11 10+11	362,608	5.4%	402,060	5.8%	0.39
Nursery and primary school transport services	RO1	390+391	10+11	44,611	0.7%	45,490	0.7%	-0.01
Secondary school transport services	RO1	392	10+11	80,112	1.2%	81,549	1.2%	-0.02
School meals (School catering):	RO1	7+18+29+206+256	5+8	83,368	1.3%	98,781	1.4%	0.18
Adult and continuing education	RO1	99+101+103+103.1+104+105+106	10+11	3,822	0.1%	5,351	0.1%	0.02
Adult and continuing education transport	RO1	102	10+11	10,484	0.2%	11,569	0.2%	0.01
Youth services	RO1	100	10+11	17,496	0.3%	18,312	0.3%	0.00
Education administration	RO1	97+97.6+107+107.5	10+11	283	0.0%	3,935	0.1%	0.05
Children and young persons (PSS) (less administration):	RO3 RO3	26 21.4	10+11 10+11	767,063	11.5%	810,967	11.8%	0.26
Younger adults' personal social services	RO3	82	10+11	775,263	11.6%	838,970	12.2%	0.54
Older adults' residential and domiciliary care	RO3	27+28+29+30+31+32+33+34+35+36	10+11	853,485	12.8%	906,915	13.2%	0.35
PSS administration	RO3	21.4+26.5	10+11	6,059	0.1%	7,277	0.1%	0.01
Road maintenance	RO2	1+2+3+13+14+16+16.5	10+11	152,023	2.3%	157,174	2.3%	0.00

IBA Service Area	Form	Row(s)	Columns	2023-24		2024-25		Relative change (pp)
				RO Amount (£000s)	RO share (%)	RO Amount (£000s)	RO share (%)	
Street lighting	RO2	15	10+11	43,092	0.6%	38,320	0.6%	-0.09
Public transport revenue support	RO2	25+29	10+11	20,230	0.3%	18,001	0.3%	-0.04
Concessionary fares	RO2	26	10+11	6,968	0.1%	9,778	0.1%	0.04
Road safety education and safe routes	RO2	17.1	10+11	4,087	0.1%	4,116	0.1%	0.00
Electoral registration	RO9	10	10+11	6,638	0.1%	8,476	0.1%	0.02
Recreation	RO4	+11	10+11	144,146	2.2%	135,380	2.0%	-0.20
Library services	RO4	1+7	10+11	45,822	0.7%	45,346	0.7%	-0.03
Cultural services	RO4	2+3+4+5	10+11	30,236	0.5%	26,000	0.4%	-0.08
Economic development (Tourism): (plus economic and community development): (plus Business Support and Economic Research):	RO4	12	10+11					
	RO6	12+13	10+11	22,225	0.3%	23,576	0.3%	0.01
	RO6	9+10	10+11					
Cemeteries and crematoria	RO5	1	10+11	848	0.0%	458	0.0%	-0.01
Coast protection	RO5	2	10+11	2,469	0.0%	3,174	0.0%	0.01
Consumer protection	RO5	22	10+11	13,783	0.2%	12,415	0.2%	-0.03
Planning	RO6	1+4+7	10+11	31,308	0.5%	33,559	0.5%	0.02
Street cleansing	RO5	8	10+11	64,483	1.0%	64,349	0.9%	-0.03
Food safety	RO5	3	10+11	13,804	0.2%	13,369	0.2%	-0.01
Other environmental health and port health	RO5	6.1+25.55	10+11	39,425	0.6%	39,614	0.6%	-0.02
Refuse collection	RO5	25.1+25.3+25.4	10+11	209,154	3.1%	215,973	3.1%	0.00
Refuse disposal	RO5	25.2+25.5	10+11	105,941	1.6%	109,271	1.6%	0.00
Non HRA housing	RO8	1+2+3+4+7+7.1+13+18+25	10+11	101,124	1.5%	92,495	1.3%	-0.18
Council tax administration	RO9	7	10+11	50,340	0.8%	61,504	0.9%	0.14
Other services (Community safety plus agricultural services: (plus environmental initiatives plus coroners' and other cou (plus emergency planning plus other central services and co (plus non-distributed costs):	RO5	13+14+19	10+11					
	RO6	8+17	10+11					
	RO9	11+12+13+13.5+14+30	10+11	115,649	1.7%	20,645	0.3%	-1.44
	RO9	29	10+11					
General administration (General administration for roads) (plus other general administration):	RO2	24+33	10+11					
	RO9	19	10+11	89,737	1.3%	80,263	1.2%	-0.18
Outturn Services Total				6,659,895		6,887,346		

Table 2: RA data, by sector, all Wales: 2024-25 to 2025-26

<i>£'000</i>							
Service Sector	2024-25	2025-26	Difference	Difference (%)	2024-25 % share	2025-26 % share	Difference percentage points (pp)
Schools	3,057,788	3,282,074	224,286	7.33%	41.63%	42.05%	0.42
Non-Schools	40,633	42,820	2,187	5.38%	0.55%	0.55%	0.00
PSS	2,529,301	2,769,188	239,886	9.48%	34.44%	35.48%	1.04
Transport	223,209	221,699	- 1,510	-0.68%	3.04%	2.84%	-0.20
Fire	197,795	209,060	11,265	5.70%	2.69%	2.68%	-0.01
Other	1,295,627	1,279,819	- 15,808	-1.22%	17.64%	16.40%	-1.24
<i>CTRS</i>	<i>300,550</i>	<i>313,760</i>	<i>13,210</i>	<i>4.40%</i>	<i>4.09%</i>	<i>4.02%</i>	<i>-0.07</i>
<i>Debt financing</i>	<i>367,273</i>	<i>401,774</i>	<i>34,501</i>	<i>9.39%</i>	<i>5.00%</i>	<i>5.15%</i>	<i>0.15</i>
Total (Excl CTRS & Debt Financing)	7,344,353	7,804,659					

Table 3: Exemplification of the isolated impact of the 2024-25 RO data on the 2025-26 settlement AEF

£'000

Unitary Authority	Settlement 2025-26		Difference Value	Difference %
	RO 2023-24 data	RO 2024-25 data		
Angelsey	135,881	136,323	441	0.32%
Gwynedd	248,390	249,736	1,346	0.54%
Conwy	219,010	219,351	341	0.16%
Denbighshire	215,251	215,457	206	0.10%
Flintshire	275,984	275,679	-306	-0.11%
Wrexham	249,508	249,181	-327	-0.13%
Powys	251,461	252,389	928	0.37%
Ceredigion	144,225	144,782	558	0.39%
Pembrokeshire	233,534	233,936	402	0.17%
Carmarthenshire	375,692	375,960	268	0.07%
Swansea	468,409	467,884	-525	-0.11%
Neath Port Talbot	306,177	306,132	-45	-0.01%
Bridgend	276,528	276,331	-196	-0.07%
Vale of Glamorgan	224,448	224,213	-235	-0.10%
Rhondda Cynon Taff	521,329	520,928	-402	-0.08%
Merthyr	133,144	133,040	-105	-0.08%
Caerphilly	373,900	373,516	-384	-0.10%
Blaenau Gwent	154,534	154,412	-122	-0.08%
Torfaen	192,216	191,961	-254	-0.13%
Monmouthshire	135,248	135,097	-152	-0.11%
Newport	329,322	328,712	-610	-0.19%
Cardiff	674,886	674,057	-828	-0.12%
Total Unitary Authorities	6,139,078	6,139,078		

Table 4: Exemplification of the combined impact of the 2024-25 RO and 2025-26 RA data on the 2025-26 settlement AEF

<i>£'000</i>				
Unitary Authority	Settlement 2025-26		Difference Value	Difference %
	RARO 24-25 and 23-24 data	RARO 25-26 and 24-25 data		
Angelsey	135,881	136,028	147	0.11%
Gwynedd	248,390	248,698	308	0.12%
Conwy	219,010	219,089	79	0.04%
Denbighshire	215,251	215,535	284	0.13%
Flintshire	275,984	275,439	-546	-0.20%
Wrexham	249,508	249,450	-58	-0.02%
Powys	251,461	251,200	-261	-0.10%
Ceredigion	144,225	144,275	50	0.03%
Pembrokeshire	233,534	233,490	-45	-0.02%
Carmarthenshire	375,692	375,725	33	0.01%
Swansea	468,409	468,297	-112	-0.02%
Neath Port Talbot	306,177	306,635	458	0.15%
Bridgend	276,528	276,455	-72	-0.03%
Vale of Glamorgan	224,448	224,175	-273	-0.12%
Rhondda Cynon Taff	521,329	521,873	544	0.10%
Merthyr	133,144	133,430	286	0.21%
Caerphilly	373,900	374,116	216	0.06%
Blaenau Gwent	154,534	154,720	186	0.12%
Torfaen	192,216	192,420	204	0.11%
Monmouthshire	135,248	134,688	-560	-0.41%
Newport	329,322	329,219	-103	-0.03%
Cardiff	674,886	674,122	-764	-0.11%
Total Unitary Authorities	6,139,078	6,139,078		

Table 5a: 2024-25 RO and 2025-26 RA data Impact on the 2025-26 SSA, Education sectors

£'000

Unitary Authority	School Services			Other Education		
	2025-26 Settlement	RARO Changes	Difference	2025-26 Settlement	RARO Changes	Difference
Angelsey	74,891	75,658	767	1,050	1,036	-14
Gwynedd	129,557	130,764	1,208	1,844	1,813	-31
Conwy	111,986	113,028	1,042	1,553	1,537	-16
Denbighshire	113,254	114,282	1,028	1,278	1,286	8
Flintshire	160,601	162,097	1,496	2,091	2,075	-17
Wrexham	137,520	138,854	1,334	1,901	1,874	-27
Powys	137,686	138,677	991	1,847	1,833	-14
Ceredigion	75,450	76,049	598	1,121	1,097	-25
Pembrokeshire	128,850	130,080	1,231	1,863	1,832	-31
Carmarthenshire	201,881	203,799	1,918	2,653	2,630	-23
Swansea	246,385	248,783	2,398	3,093	3,074	-19
Neath Port Talbot	150,234	151,875	1,642	2,024	1,997	-27
Bridgend	149,514	151,029	1,515	1,869	1,861	-8
Vale of Glamorgan	145,546	146,827	1,281	1,582	1,596	14
Rhondda Cynon Taff	261,617	264,451	2,834	3,367	3,338	-29
Merthyr	65,057	65,748	691	770	771	0
Caerphilly	192,521	194,543	2,022	2,524	2,500	-24
Blaenau Gwent	68,867	69,640	773	972	958	-13
Torfaen	101,930	102,975	1,045	1,192	1,195	3
Monmouthshire	85,962	86,689	727	1,277	1,255	-22
Newport	182,032	183,811	1,780	1,897	1,922	25
Cardiff	368,044	371,843	3,799	4,721	4,656	-65
Total Unitary Authorities	3,289,384	3,321,502	32,118	42,490	42,136	-354

Table 5b: 2024-25 RO and 2025-26 RA data Impact on the 2025-26 SSA, PSS sector

£'000

Unitary Authority	PSS		
	2025-26 Settlement	RARO Changes	Difference
Angelsey	58,510	60,271	1,760
Gwynedd	99,991	103,037	3,047
Conwy	100,069	103,066	2,997
Denbighshire	88,730	91,375	2,645
Flintshire	114,566	118,105	3,539
Wrexham	112,335	115,720	3,385
Powys	108,255	111,591	3,336
Ceredigion	60,231	62,085	1,854
Pembrokeshire	103,891	107,007	3,117
Carmarthenshire	160,283	165,133	4,850
Swansea	208,954	215,294	6,340
Neath Port Talbot	130,875	134,804	3,929
Bridgend	117,857	121,447	3,590
Vale of Glamorgan	98,426	101,449	3,024
Rhondda Cynon Taff	215,269	221,713	6,444
Merthyr	56,340	58,005	1,665
Caerphilly	156,557	161,244	4,688
Blaenau Gwent	66,849	68,831	1,982
Torfaen	83,381	85,871	2,490
Monmouthshire	65,417	67,458	2,041
Newport	137,005	141,112	4,108
Cardiff	301,110	310,343	9,233
Total Unitary Authorities	2,644,900	2,724,963	80,063

Table 5c: 2024-25 RO and 2025-26 RA data Impact on the 2025-26 SSA, Transport and Other services sector

£'000

Unitary Authority	Transport			Other services		
	2025-26 Settlement	RARO Changes	Difference	2025-26 Settlement	RARO Changes	Difference
Angelsey	6,776	6,334	-442	32,531	30,631	-1,900
Gwynedd	14,066	13,198	-869	61,345	58,341	-3,004
Conwy	10,088	9,425	-662	52,112	48,871	-3,241
Denbighshire	8,618	8,105	-513	43,999	41,149	-2,850
Flintshire	11,417	10,632	-786	69,082	64,359	-4,724
Wrexham	8,629	8,070	-559	55,025	50,881	-4,144
Powys	15,985	15,093	-892	65,870	62,235	-3,635
Ceredigion	7,789	7,363	-426	35,382	33,455	-1,926
Pembrokeshire	11,755	11,032	-724	57,691	54,097	-3,593
Carmarthenshire	16,403	15,413	-990	83,673	78,018	-5,655
Swansea	14,714	13,730	-985	103,788	96,028	-7,760
Neath Port Talbot	9,507	8,832	-675	60,769	56,408	-4,361
Bridgend	9,762	9,107	-655	60,084	55,620	-4,464
Vale of Glamorgan	8,945	8,372	-573	54,004	50,032	-3,972
Rhondda Cynon Taff	15,814	14,714	-1,101	102,376	94,858	-7,518
Merthyr	3,350	3,100	-250	24,670	22,870	-1,800
Caerphilly	12,476	11,546	-930	73,381	67,904	-5,477
Blaenau Gwent	5,110	4,703	-407	29,345	27,219	-2,125
Torfaen	5,463	5,068	-395	38,446	35,541	-2,906
Monmouthshire	7,180	6,733	-447	38,871	36,044	-2,827
Newport	9,264	8,618	-646	69,185	63,873	-5,312
Cardiff	20,297	18,969	-1,328	164,533	152,265	-12,268
Total Unitary Authorities	233,410	218,158	-15,252	1,376,162	1,280,700	-95,462