

**DISTRIBUTION SUB GROUP (DSG)**

**Minutes of meeting held on 18 January 2017 at County Hall, Cardiff**

**Welsh Government (WG)**

Rob Hay (Chair)  
Simon Edwards  
Kim Swain  
Shelley Heath

Debra Carter  
Judith Cole  
Euros Jones  
Colin Hedges

**Welsh Local Government Association (WLGA)**

Ian Allwood (Cardiff)  
David Powell (Powys)

David McAuliffe (Blaenau Gwent)  
Jon Rae (WLGA)

**Apologies**

Joy Robson (Monmouthshire)  
Andrew Stephens (Data Unit Wales)  
Chris Barton (Independent)  
Chris Lee (RCT)  
Dilwyn Williams (Gwynedd)

Hywel Jenkins (Neath Port Talbot)  
Rhys Andrews (Independent)  
Hugh Coombs (Independent)  
Richard Weigh (Denbighshire)

**Welcome and Introductions**

1. The Chair recorded apologies and introduced Colin Hedges, Head of Post 16 Additional Learning Needs Policy (Welsh Government) to the rest of the group.

**Minutes and matters arising from the previous meeting**

2. Agreed the minutes from the previous meeting should reflect the correct date for today's meeting.
3. **Action: Welsh Government officials to amend the date to reflect today's DSG meeting.**
4. Paragraph 8: Welsh Government officials confirmed the paper on the Pool Rate had been amended to correct the errors identified.
5. Paragraph 17: Welsh Government officials confirmed that a DSG Work Programme had been produced for discussion at this meeting.
6. Paragraph 18: This DSG meeting was brought forward to discuss the Work programme prior to the Finance Sub Group (FSG) meeting on 25 January.
7. Paragraph 20: The Chair confirmed that no comments on the Terms of Reference had been received. Jon Rae commented that the last two bullet points under the WLGA Lead's Responsibilities section were too broad.
8. **Action : Jon Rae to propose a revision to the Terms of Reference.**

**DSG (2017) Paper 02 – Post-16 Learning Difficulties and/or Disabilities (LDD) Specialist Placements**

9. Colin Hedges presented a paper on Post-16 LDD Specialist placements. The paper gave initial consideration to the distributional issues associated with the proposal to transfer responsibility to local authorities for managing post-16 LDD specialist placements.
10. It was outlined that, currently, the number of WG funded post-16 LDD specialist placements is about 300. It was highlighted that across local authorities there was considerable variation in the provision of post-16 LDD specialist placements within mainstream further education establishments. This impacts on the distribution (at local authority level) of the number of WG funded post-16 LDD specialist placements.
11. DSG members commented that, due to this inconsistency in coverage amongst local authorities, distributing funding may be problematic and challenging, especially when considering the current post-16 LDD Specialist Placements system is demand led.
12. Colin informed the group that, should the Bill receive Assembly approval, it is likely that changes will be implemented from 2019-20 at the earliest. The Chair commented that DSG will need to keep a close eye on how the proposals develop through consultation and further engagement with the sector, and will return to this issue.
13. It is the intention for legacy commitments to be transferred to local authorities (i.e. responsibility for those individuals in the first or second year of a committed funding package). The policy area has produced forecasts of the legacy costs, based on the current commitments and was asked to share this with the group.
14. The group discussed the wide variation in the current distribution of the number and cost of placements across authorities and the possible need to phase in any formula to account for the legacy costs.
15. **Action: Welsh Government officials to provide an analysis of the forecast figures for 2017-18 and 2018-19.**

**DSG (2017) Paper 01 – Distribution Sub Group Work Programme 2017**

16. The Chair gave an overview of the proposed approach to the upcoming FSG meeting, a high-level presentation on the current distribution formula, leading to discussions on the DSG Terms of Reference and Work Programme.
17. Local Government DSG members advocated a greater focus on the future work programme with more emphasis on updating the formula. It was agreed that the FSG meeting should be utilised to get a sense on whether there is a clear view from Local Government on possible future changes to the formula.
18. Welsh Government officials presented the proposed work programme paper to the DSG group. The work programme outlined both short term considerations

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(that will have an impact on the settlement in immediate upcoming years) and longer term considerations.

19. Discussions took place on the shorter term considerations identified in the DSG work programme. The impact of welfare reform was discussed as a future DSG work stream, and it was suggested that this is already having an impact on the Settlement through the eligibility for Free School Meal (eFSM) indicator. It was also questioned whether there is a better indicator of school-age deprivation available. Welsh Government officials informed the group they will continue to monitor any impacts on the Settlement.
20. The potential transfer of a number of Specific Grants was discussed. It was agreed that linking with policy areas will be important, and that DSG should feed into any groups set up to consider any potential transfers – for example, the task and finish group established to consider the transfer of the waste element of the Single Revenue Grant.
21. It was agreed that the second phase of the Personal Social Services Formula, which was agreed for phasing over the 2017-18 and 2018-19 Settlements, should be included in the work programme, under shorter term considerations.
22. The longer term considerations were then discussed. With regard to simplification of the formula it was suggested that DSG could consider ways of removing any unnecessary complexity in order to make the formula easier to explain and therefore more transparent.
23. When discussing the remaining longer term considerations – education formula and modernising waste formula – the group explored the possibility of rearranging the work programme paper so the longer term considerations were presented first, as it was suggested the current placement of the education formula and modernising waste formula did not reflect their fundamentality.
24. Welsh Government officials were inclined to keep the work programme as drafted, and explained the manner in which the considerations have been ordered does not reflect any assumptions around their priority. Welsh Government officials agreed to make this clear at the upcoming FSG meeting when presenting the Work Programme.
25. The Chair brought this agenda item to a close, confirming that a work programme had been agreed following a helpful and robust discussion.

### **Any Other Business**

26. None. The Chair thanked Ian Allwood for hosting the meeting.

### **Dates and venues of next meetings**

27. The date for 2017 are as follows:

- 29 March 2017, Welsh Government, Cardiff
- 16 May 2017, Welsh Government, Cardiff

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- 19 July 2017, Welsh Government, Cardiff
- 14 September 2017, Welsh Government, Cardiff
- 15 November 2017, Welsh Government, Cardiff
- 18 January 2018, Welsh Government, Cardiff

**Welsh Government**