

DISTRIBUTION SUB-GROUP (DSG)

Minutes of meeting held on 21 November 2023 via Microsoft Teams

Welsh Government (WG)

Judith Cole (Chair)

Emma Smith

Andrea Melvin

James Koe

Freya Gregory

Welsh Local Government Association (WLGA/ LA)

Jane Thomas (Powys)

Barrie Davies (Rhondda Cynon Taf)

Dewi Aeron Morgan (Gwynedd)

Nathan Gardner (WLGA)

Jon Rae (WLGA)

Ian Allwood (Cardiff)

Hayley Randall (Data Cymru)

Independent members

Chris Barton (Independent)

Dr Dennis de Widt (Independent)

Apologies

Huw Jones (Neath Port Talbot)

Steve Gadd (Denbighshire)

Guto Ifan (Independent)

Carys Lord (Bridgend)

Sam Sullivan (Data Cymru)

Jonathan Davies (Monmouthshire)

Item 1: Welcome, Apologies and Introductions

1. Judith Cole welcomed the group to the meeting, recorded apologies and introduced Hayley Randall from Data Cymru.

Item 2: Minutes and matters arising from the previous meeting (8 June 2023)

2. There were no comments on the accuracy of the minutes from the last DSG meeting which were agreed.
3. Actions arising from the previous meeting and data workshop had been completed or carried forward where relevant.

Item 3: Paper 18 – Population data decision for the 2024-25 Settlement

4. Andrea Melvin presented Paper 18 explaining at the time of writing the paper the publication date for the 2022 mid-year population estimates and revised 2021

Distribution Sub-Group (2023) Minutes – 21 November 2023

mid-year population estimates were unknown. However, the publication date has now been confirmed as 23 November. Therefore Andrea presented DSG with the options within the paper, and the offer to also provide a further exemplification on the mid 2022 and 2021 population estimates by correspondence on Friday 24 November, for DSG to confirm a decision by Wednesday 29 November for the 24-25 Settlement.

5. Jon Rae thanked Andrea for the update and suggested to only present an exemplification on the 2022 mid-year estimates data as this is the most relevant dataset. Jon is confident that DSG can agree by Wednesday next week. Ian Allwood noted the decision depends on the contents of the exemplification.
6. Judith Cole confirmed Settlement team will create the exemplification on 2022 mid-year population estimates on Thursday (23 November) and circulate to DSG, who will make a decision on the population data by Wednesday 29th November.

Action – DSG to decide on population data and confirm decision to Settlement team by Wednesday 29 November. [completed]

Item 4: Paper 19 – eFSM data decision for the 2024-25 Settlement

7. Freya Gregory summarised paper 19 showing several exemplifications of the FSM (or TP) Data. **Option 1** would be to freeze the data from the 2023-24 Settlement. **Option 2a** would be to use a four-year average of pupils recorded as eligible for FSM (2018 – 2023), **Option 2b** uses a 5-year average of FSM data (2017 – 2023). **Option 3** uses a three-year average of pupils recorded as either FSM or TP. **Option 4a** uses only the 2023 FSM data, whereas **Option 4b** uses the 2023 FSM or TP data. DSG was asked to decide on which dataset to use for the 2024-25 Settlement.
8. Jon Rae thanked the settlement team for their work, suggested that option three might be the best choice as it maintains the use of an average, whilst also incorporating the transitional protection data.
9. Barrie Davies agreed that option three is the best of the options.
10. Ian Allwood highlighted the need to be able to explain the choice to leaders and others within local authorities as this can be a contentious dataset. Jon mentioned the concerns expressed by Flintshire and Torfaen regarding their concerns surrounding FSM and TP data and suggested that the concerns in these papers are mitigated more by option 3 than any other option.
11. Judith confirmed the group's consensus to take forward option three.

Recommendation – Settlement team to take forward option three for the 2024-25 Settlement.

Item 5: Paper 17 – Updating the 22-23 RO data for the 2024-25 Settlement

12. James Koe summarised the paper. RO data has been frozen for two years for Covid and covid lines had been added to the RO collection during this time. These have now been removed so the data is more in line with the pre-covid method. Discussion confirmed a consensus that there was no reason not to use the most up to date data.

Recommendation – Settlement team to use the most recent RO data for the 2024-25 settlement.

Item 6: Other papers for discussion on decision

Item 6a: Paper 15 – Treatment of frozen datasets Traffic and Tourism data for the 2024-25 Settlement

13. James Koe summarised paper 15 which gave the option of unfreezing the data that had been frozen since Covid and asked it if looked reasonable and fair.
14. Jon Rae suggested it would be reasonable to update data.
15. Ian Allwood questioned if there is any reason it would not be reasonable to use the most up to date data. James Koe suggested that in comparison to pre-covid years the data appears to be reliable. Ian Allwood wondered if it would be consistent with other decisions made by the group to look at using an average, though accepted it would be flawed to take an average including pandemic years.
16. Jane Thomas suggested it was wise to update to the most recent data as data is realigning with pre pandemic levels. Jon Rae and Barrie Davies agreed.
17. Ian Allwood was content to use the most recent data. However, he would appreciate further information on the source of the data as it does not look familiar when looking specifically at Cardiff. Judith asked Ian what would help him to further understand this data? Jon Rae asked if further information on the collection could be sought from the source.

Recommendation – Settlement team to take forward most up to date data for traffic and tourism data.

Action – Settlement team to request a Tourism STEAM report for the Cardiff local authority from ‘Global Tourism Solutions’ .

Item 6b: Paper 16 – Pool Rate for the 2024-25 Settlement

18. James Koe summarised paper 16, explaining the current position of year three into the phasing plan, where analysis would use 25% of the Adjusted Pool Rate method and 75% of the Unadjusted Pool Rate method. James then asked if DSG were happy to continue with this.
19. DSG confirmed it was happy to carry on with the planned phasing scheme.

Recommendation – Settlement team to take forward the year three phasing for the 2024-25 Settlement.

Item 7: Paper 20 – Treatment of CTRS in the RA build

20. James Koe presented paper 20 on different approaches to determining the CTRS value for the Settlement.
21. There was agreement that the approach to CTRS needs to be considered as part of any reform of Council Tax, and therefore this area will need to be revisited. In the meantime (for 2024-25 Settlement) the approach should remain as is.

Item 8: Next steps FSG and 2024-25 Settlement

22. Judith Cole asked DSG if they were happy for the DSG report to be updated with the data decided in this meeting and circulated.. Jon Rae confirmed that updated report should be sent to the minister for circulation to FSG members.
23. Judith Cole asked about dates for DSG and FSG for next year, particularly whether the October date was too early for FSG. Jon Rae suggested that the dates look reasonable. but suggested the need for there to be flexibility should the dates need to be altered for any reason. DSG agreed.

Item 9: Any Other Business

24. Chris Barton mentioned that he is retiring in March but is happy to continue as an independent DSG member. Judith thanked Chris for all the work he has done for DSG and for the offer of staying on past March.
25. Emma Smith raised that the water policy team are looking at how a small grant of circ £50k for the training and audits of private water supply testing can be administered. Emma sought DSGs opinion on how this funding should be distributed if transferred to the RSG. DSG were happy for this to be added to the overall Settlement pot as the sum is so small.
26. Jon Rae asked whether the Settlement team could confirm whether Stuart Neil, who spoke about Settlement data at the DSG workshop, is available to speak to the Rural forum in December. ,.

Action – Settlement team to pass on Rural forum request to Stuart Neil.

Dates and venues of next meetings

- a) The future dates of meetings are as follows to take place via MS Teams, until further notice:

Proposed Dates

DSG: January: Thursday 25th 2024

10:00am – 12:00am

FSG: February: TBC 2024

10:00am – 11:30am

DSG: March: Thursday 21st 2024

10:00am – 12:00am

DSG: May: Tuesday 21st 2024

10:00am – 12:00am

DSG: July: Thursday 4th 2024

10:00am – 12:00am

FSG: July: TBC 2024

Distribution Sub-Group (2023) Minutes – 21 November 2023

10:00am – 11:30am

DSG: September: Thursday 19th 2024

10:00am – 12:00am

FSG: October: TBC 2024

10:00am – 11:30am

DSG: November: Tuesday 19th 2024

10:00am – 12:00am

Actions Outstanding

| | Action | Owner | Date raised | Date completed |
|---|---|--------------------|--------------------|---|
| 1 | WG settlement team to look at correlations between data sets, particularly FSM and benefits, and provide analysis | WG Settlement team | 15/11/2022 | Ongoing through the work of WG colleagues on review of EFSM indicators |
| 2 | Ensure DSG kept informed of the work by Education Dept on the work on school funding formula, | WG settlement team | | Ongoing |
| 3 | Present Components of Change paper to SWT | WG settlement team | 31/01/2023 | Components of change table shared as part of Settlement. Presentation overtaken |
| 4 | Settlement team to request a Tourism STEAM report for the Cardiff local authority from 'Global Tourism Solutions' | | 21/11/2023 | |

Distribution Sub-Group (2023) Minutes – 21 November 2023

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| 5 | Settlement team to pass on Rural forum request to Stuart Neil | | 21/11/2023 | |
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**Local Government Finance Policy and Sustainability Division
Welsh Government**