

Distribution Sub Group (2023) – Work Programme 2023

Draft Distribution Sub Group Work Programme 2023

The work programme for 2023 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 (2024-25 and 2025-26) 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.

Progress

This work-programme has had the prioritisation reviewed following discussions in DSG on 31 January and focusses on indicating elements of work essential to delivering the 2024-25 settlement (the provisional settlement is planned for December), and also highlighting work which we would aspire to achieve or which needs to be addressed and work which would be consciously planned for beyond 2023.

Key:

	Routine maintenance/ updating – will deliver
	Local Tax Reform - will deliver (support available from relevant team)
	Reactive – would expect to achieve but if particularly resource / time consuming we may determine, on a case by case basis, that issues should be deferred.
	Important - will deliver at least some consideration allowing conscious decision making and progress - may be done by bringing in other resource
	Unlikely to be progressed before Spring 2024

Shorter Term Considerations

Item	Description	Timing	Action
General Items			
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.	14/03/23 DSG meeting to discuss options. Phasing approach analysis on 2024-25 settlement to inform decisions for 2025-26 settlement.	Periodically follow up with policy department for update on timings. Officials undertake analysis to present to DSG and ADEW-finance. We 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. However, it is not yet certain that this will transfer to the settlement.

Distribution Sub Group (2023) – Work Programme 2023

Item	Description	Timing	Action
Population data for future settlements	<p>DSG agreed in principle to move part way towards 2021 census results to mitigate significant changes. 2023-24 Settlement took an average of the population projections and Census 2021.</p> <p>2024-25 settlement investigate financial implications of:</p> <ul style="list-style-type: none"> - All of Census 2021 population data. - Mid-2021 Population estimates. - Mid-2022 Population estimates. <p>2025-26 settlement investigate financial implications of:</p> <ul style="list-style-type: none"> - Mid-2023 Population Estimates. - 2021 based Sub-national Population projections for the year 2025. <p>Release Schedule (Population)</p> <p>Mid-2022 population estimates (October to November 2023)</p> <p>National population projections 2021 based (December 2023)</p> <p>Sub National population projections 2021 based (Early 2024)</p>	DSG will be presented with options on the 14/11/23 for the 2024-25 settlement.	Continue to work with KAS population & census statisticians to plan way forward. Produce analysis on Mid-2021 population estimates, Mid-2022 population estimates, National population projections 2021 based and Sub National population projections 2021 based.

Distribution Sub Group (2023) – Work Programme 2023

Item	Description	Timing	Action
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	April 2023 onwards	Consider the implications of the independent review.
Free School Meals	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. NB. Change of policy approach in September 2022 therefore no impact on data for 2023-24 settlement. 2023-24 used an average of 2017, 2018, 2021 and 2022 FSM data as agreed through DSG.	2022-23 to be implemented for 2024-25 settlement.	Continue close contact with policy team through working group.
Tourism Data	To assess the suitability of the STEAM data used in the formula and to investigate other potential data sources.	April 2023 onwards	Data looks insufficiently robust and therefore more in-depth review will be scheduled for 2023.

Distribution Sub Group (2023) – Work Programme 2023

Item	Description	Timing	Action
The impact of COVID-19 on data	Assess and agree the treatment of datasets affected by COVID-19, such as: Tourism, Benefits, CTRS and the financial data.	Ongoing in 2023	Assess data to inform decision on use or freeze. Exemplifications will be run on the various datasets impacted by the pandemic. Tourism and benefits data etc.
Specific Grants			
Potential transfers into and/or out of the settlement	To consider other potential transfers into the settlement at the appropriate juncture.	2023-24 Settlement will see a transfer of CRMP and FRA 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 –.
Annual standing papers			
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 2023	Analysis will be presented at DSG 14/09/23 or 14/11/23
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 2023	Analysis will be presented at DSG 14/09/23
DSG Progress Report	A report of the progress of the DSG against the 2022 work programme up to June 2023, for presentation at the Finance Sub Group (FSG) meeting in July.	June 2023	Analysis will be presented at DSG 27/06/23

Distribution Sub Group (2023) – Work Programme 2023

Item	Description	Timing	Action
DSG Report	The final report of the DSG to be signed off by the Finance Sub Group (FSG) in autumn 2023.	October / November 2023	Finance Sub Group (FSG) 19/10/23

Distribution Sub Group (2023) – Work Programme 2023

Strategic Considerations

Item	Description	Timing	Action
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.
2021 Census data	<p>To consider updating the Census data in the settlement with 2021 Census data published from Spring 2023 onwards. Aggregated Wales Census topic summary statistics are available as well as an interactive map. More detailed analysis broken down by LA, age and other characteristics will be released during 2023.</p> <p>Release Schedule (Datasets used in settlement):</p> <ul style="list-style-type: none"> - Adults aged 18 to 64 in non-white ethnic groups (Early 2023). - Dependent children in households where head is in a low occupational classification. (2023) - Dependent children in lone adult households (2023) - Dependent children in overcrowded housing (2023) - Dependent children in social rented housing (2023) - Households where head is aged 18 to 64 with no carer (2023) - Pensioners living alone in households (2023) - Pensioners with a limiting long-term illness (2023) 	April 2023 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>

Distribution Sub Group (2023) – Work Programme 2023

Item	Description	Timing	Action
	<ul style="list-style-type: none"> - Population aged under 18 in wards with weighted density greater than the Welsh average (Early 2023) <p>Release Schedule (Population)</p> <ul style="list-style-type: none"> - Mid-2022 population estimates (October to November 2023) - National population projections 2021 based (December 2023) - Sub National population projections 2021 based (Early 2024) 		
<p>Initiate update of the Census 1991 indicators that include Sparsity and Dispersion</p>	<p>Project to replace the Census 1991 Sparsity and Dispersion data with updated measures on Sparsity and Dispersion data - Census 2021 if available otherwise census 2011</p> <p>Project timeline:</p> <ul style="list-style-type: none"> - Seek out GIS expertise and predecessor knowledge in March/April 2023. - Data analysis from: April 2023. - Hybrid meeting: Data discovery workshop with members of DSG to discuss initial Sparsity and Dispersion data June/July 2023. - The weightings within the Service IBAs that are used to distribute the funding based on 	<p>April 2023 onwards and continued through 2024.</p>	<p>Officials to consider the impact of updates to the Census 1991 data, recalibrating the weightings within each IBA, to ensure they reflect the best measure of the need to spend.</p> <p>Consider additional resource if necessary to complete.</p>

Distribution Sub Group (2023) – Work Programme 2023

Item	Description	Timing	Action
	<p>the Sparsity and Dispersion data will need to be recalibrated on a need basis. Analysis and discussions during DSG in Autumn/Winter 2023 and carried onwards into 2024.</p> <ul style="list-style-type: none"> - Analysis of chosen recalibrated service IBAs disseminated to DSG and FSG and financial implications in Spring/Summer 2024 - Implementation Autumn 2024 for 2025-26 settlement. 		
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"> - Data analysis: from February 2023 - Phase 2 launch: Autumn 2023 - Draft List: 1 September 2024 - Tax-base estimation: 1 Nov–31 Dec (ref date 31 Oct) - Billing: Feb / March 2025 	Throughout 2023 and 2024	Ensure DSG are engaged at the appropriate times and aware of any developments from LGFR.