

Distribution Sub-Group (2024) Paper 11 – Latest RA Data for the 2025-26 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.

Latest RA data for the 2025-26 Settlement

Summary

1. This paper looks at the impact on the 2025-26 Settlement of the change in Revenue Account (RA) data between 2023-24 and 2024-25.
2. This paper looks at the financial implications of updating the RA data in the Standard Spending Assessment (SSA) build with a view to using this data within the 2025-26 Settlement. Please note that these figures are being run against the 2024-25 Final Total SSA Settlement distribution for the purposes of exemplification. **The data is currently provisional and subject to review.**

Views sought

3. For DSG to specify whether the 2024-25 RA provides a representative picture of the general sectors at a Wales level, and if so to note the impact on the distribution of the Settlement of using the latest RA data in the Settlement model.

Related papers

4. Distribution Sub-Group (2023) Paper 12 – Latest RA Data for the 2024-25 Settlement
5. Distribution Sub-Group (2022) Paper 07 – Latest RA Data for the 2023-24 Settlement
6. Distribution Sub-Group (2021) Paper 20 – Latest RA Data for the 2022-23 Settlement
7. Distribution Sub-Group (2020) Paper 22 – Latest RA Data for the 2021-22 Settlement
8. Distribution Sub-Group (2019) Paper 14 – Latest RA Data for the 2020-21 Settlement
9. Distribution Sub-Group (2018) Paper 20 – Latest RA Data for the 2019-20 Settlement
10. Distribution Sub Group (2017) Paper 09 – Latest RA Data for the 2018-19 Settlement

Background

11. The calculation of SSA sector totals uses the most up-to-date information at a total Wales level on the pattern of budgeted Unitary Authority expenditure (sourced from RA returns). For the 2024-25 Settlement, the 2023-24 RA forms were used. This paper updates the RA expenditure from 2023-24 to 2024-25.
12. This paper provides an exemplification of the isolated change of the RA forms, run against the 2024-25 Settlement.
13. The calculation of SSA service totals within each sector uses information at a total Wales level on the pattern of actual Unitary Authority expenditure (sourced from RO forms). For the 2024-25 Settlement, expenditure data taken from the 2022-23 RO forms were used. For the 2025-26 Settlement, expenditure data taken from the 2023-24 RO forms will be considered. This will be the subject of a further paper.

Distribution Sub-Group (2024) Paper 11 – Latest RA Data for the 2025-26 Settlement

Changes in the RA data

14. [Table 1](#) in [Annex A](#) shows the budgeted RA expenditure data for 2023-24 and 2024-25 split into the 6 sectors used in the SSA calculations (Schools services, Other Education, PSS; Transport, Fire and Other Services). Compared to the previous year, the sector with largest monetary increase in budgeted expenditure was the PSS sector (up £228.2m) this was also the largest percentage increase (up 9.9%).
15. [Table 2](#) shows the proportion of RA expenditure for each sector and the change from 2023-24. This shows that the PSS sector had the largest increase (up 1.37 percentage points), and the other sector had the largest decrease (down 1.14 percentage points).

Redistribution implications

16. [Table 3](#) in the Annex shows the changes in the 2024-25 Aggregate External Finance (AEF) when updating the RA data. In updating the RA data through the model, we also disregard any prioritisation that was previously in place as this should now flow through the financial data. This is to isolate the effect the latest RA data has on the 2024-25 Settlement allocations.
17. Rhonda Cynon Taf and Caerphilly have the largest monetary increases in AEF of £843k and £516k respectively. The largest monetary decreases in AEF are for Powys (down £1,086k) and Gwynedd (down £944k).

Conclusion

18. DSG are asked to consider whether the data provides a representative picture across the sectors, ahead of the 2025-26 settlement.
19. If so, it is the intention to use the latest (2024-25) RA data in the 2025-26 Settlement - in line with Society of Welsh Treasurers (SWT) principles. Further analysis will be provided later in 2024 to look at the impact of updating to the latest RO data.

Local Government Finance Policy and Sustainability Welsh Government

Distribution Sub-Group (2024) Paper 11 – Latest RA Data for the 2025-26 Settlement

Annex A

Table 1: RA data, by sector, all Wales: 2023-24 to 2024-25

£'000

Service Sector	2023-24	2024-25	Difference	Difference (%)	2023-24 % share	2024-25 % share
Schools	2,900,221	3,057,788	157,566	5.43%	41.68%	41.63%
Non-Schools	40,958	40,633	- 325	-0.79%	0.59%	0.55%
PSS	2,301,086	2,529,301	228,215	9.92%	33.07%	34.44%
Transport	227,088	223,209	- 3,879	-1.71%	3.26%	3.04%
Fire	182,919	197,795	14,876	8.13%	2.63%	2.69%
Other	1,306,691	1,295,627	- 11,064	-0.85%	18.78%	17.64%
CTRS	295,244	300,550	5,306	1.80%	4.24%	4.09%
Debt financing	361,538	367,273	5,736	1.59%	5.20%	5.00%
Total (Excl CTRS & Debt Financing)	6,958,963	7,344,353				

Table 2: Share of RA data, by sector, all Wales: 2023-24 to 2024-25

Service Sector	2023-24	2024-25	Difference percentage points
Schools	41.68%	41.63%	-0.04
Non-Schools	0.59%	0.55%	-0.04
PSS	33.07%	34.44%	1.37
Transport	3.26%	3.04%	-0.22
Fire	2.63%	2.69%	0.06
Other	18.78%	17.64%	-1.14

Distribution Sub-Group (2024) Paper 11 – Latest RA Data for the 2025-26 Settlement

Table 3: Exemplification of 2024-25 RA data on the 2024-25 settlement (AEF)

£'000

Unitary Authority	Settlement 2024-25	2024-25 RA Data	Difference	Difference %
Anglesey	127,586	127,284	-302	-0.24%
Gwynedd	233,317	232,373	-944	-0.40%
Conwy	203,526	203,459	-67	-0.03%
Denbighshire	200,795	200,853	59	0.03%
Flintshire	258,527	258,141	-386	-0.15%
Wrexham	232,865	233,090	225	0.10%
Powys	235,865	234,779	-1,086	-0.46%
Ceredigion	135,286	134,815	-471	-0.35%
Pembrokeshire	218,870	218,471	-399	-0.18%
Carmarthenshire	350,646	350,367	-279	-0.08%
Swansea	435,021	435,346	325	0.07%
Neath Port Talbot	285,594	286,164	570	0.20%
Bridgend	258,925	259,014	90	0.03%
Vale of Glamorgan	209,781	209,548	-233	-0.11%
RCT	485,567	486,410	843	0.17%
Merthyr	123,492	123,888	396	0.32%
Caerphilly	348,864	349,380	516	0.15%
Blaenau Gwent	144,044	144,387	343	0.24%
Torfaen	178,733	179,175	442	0.25%
Monmouthshire	126,019	125,606	-414	-0.33%
Newport	304,045	304,454	409	0.13%
Cardiff	623,158	623,520	362	0.06%
Total Unitary Authorities	5,720,524	5,720,524		