

Distribution Sub-Group (2025) Paper 09 – Latest RA 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.

Latest RA data for the 2026-27 Settlement

Summary

1. This paper looks at the impact on the 2025-26 Settlement of the change in Revenue Account (RA) data between 2024-25 and 2025-26.
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 2026-27 Settlement. Please note that these figures are being run against the 2025-26 Final Total SSA Settlement distribution for the purposes of exemplification.

Views sought:

3. For DSG to consider whether the 2025-26 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 (2024) Paper 11 – Latest RA Data for the 2025-26 Settlement
5. Distribution Sub-Group (2023) Paper 12 – Latest RA Data for the 2024-25 Settlement
6. Distribution Sub-Group (2022) Paper 07 – Latest RA Data for the 2023-24 Settlement
7. Distribution Sub-Group (2021) Paper 20 – Latest RA Data for the 2022-23 Settlement
8. Distribution Sub-Group (2020) Paper 22 – Latest RA Data for the 2021-22 Settlement

Background

9. 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 data). For the 2025-26 Settlement, the 2024-25 RA data were used. This paper updates the RA expenditure from 2024-25 to 2025-26.
10. This paper provides an exemplification of the isolated change in the RA data, run against the 2025-26 Settlement.
11. 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 Revenue Outturn (RO) returns). For the 2025-26 Settlement, expenditure data taken from the 2023-24 RO data collection were used. For the 2026-27 Settlement, expenditure data taken from the 2024-25 RO returns will be considered. As the 2024-25 RO data will not be available until after September, this will be the subject of a separate paper.

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Changes in the RA data

12. Table 1 in Annex A shows the budgeted RA expenditure data for 2024-25 and 2025-26 split into 6 sectors used in the SSA calculations (Schools services, Other Education, Personal and Social Services (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 £239.9m) this was also the largest percentage increase (up 9.5%).
13. Table 2 shows the relative proportion of RA expenditure for each sector and the change from 2024-25 to 2025-26. This shows that the PSS sector had the largest increase (up 1.04 percentage points), and the 'other services' sector had the largest decrease (down 1.24 percentage points).

Redistribution implications

14. Table 3 in the Annex shows the changes in the 2025-26 Aggregate External Finance (AEF) when updating the RA data.
15. Rhonda Cynon Taf and Caerphilly have the largest monetary increases in AEF of £902k and £567k, respectively. The largest monetary decreases in AEF are for Powys (down £1,099k) and Gwynedd (down £937k).

Conclusion

16. DSG are asked to consider whether the data provides a representative picture across the sectors, ahead of the 2026-27 settlement.
17. If so, it is the intention to recommend to FSG that we use the latest (2025-26) RA data in the 2026-27 Settlement, in line with Society of Welsh Treasurers (SWT) principles. Further analysis will be conducted later in 2025 to look at the impact of incorporating the 2024-25 RO data.

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Annex A

Table 1: RA data, by sector, all Wales: 2024-25 to 2025-26

£'000

Service Sector	2024-25	2025-26	Difference	Difference (%)	2024-25 % share	2025-26 % share
Schools	3,057,788	3,282,074	224,286	7.33%	41.63%	42.05%
Non-Schools	40,633	42,820	2,187	5.38%	0.55%	0.55%
PSS	2,529,301	2,769,188	239,886	9.48%	34.44%	35.48%
Transport	223,209	221,699	- 1,510	-0.68%	3.04%	2.84%
Fire	197,795	209,060	11,265	5.70%	2.69%	2.68%
Other	1,295,627	1,279,819	- 15,808	-1.22%	17.64%	16.40%
Total	7,344,353	7,804,659				

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

Service Sector	2024-25	2025-26	Difference percentage points
Schools	41.63%	42.05%	0.42%
Non-Schools	0.55%	0.55%	0.00%
PSS	34.44%	35.48%	1.04%
Transport	3.04%	2.84%	-0.20%
Fire	2.69%	2.68%	-0.01%
Other	17.64%	16.40%	-1.24%

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Table 3: Exemplification of 2025-26 RA data on the 2025-26 settlement (AEF)

£'000

Unitary Authority	Settlement 2025-26	2025-26 RA Data	Difference	Difference %
Isle of Anglesey	135,881	135,618	-264	-0.19%
Gwynedd	248,390	247,453	-937	-0.38%
Conwy	219,010	218,781	-229	-0.10%
Denbighshire	215,251	215,353	102	0.05%
Flintshire	275,984	275,721	-263	-0.10%
Wrexham	249,508	249,756	248	0.10%
Powys	251,461	250,361	-1,099	-0.44%
Ceredigion	144,225	143,766	-458	-0.32%
Pembrokeshire	233,534	233,123	-411	-0.18%
Carmarthenshire	375,692	375,481	-211	-0.06%
Swansea	468,409	468,782	373	0.08%
Neath Port Talbot	306,177	306,666	489	0.16%
Bridgend	276,528	276,630	102	0.04%
The Vale of Glamorgan	224,448	224,397	-50	-0.02%
Rhondda Cynon Taff	521,329	522,231	902	0.17%
Merthyr	133,144	133,527	382	0.29%
Caerphilly	373,900	374,466	567	0.15%
Blaenau Gwent	154,534	154,830	296	0.19%
Torfaen	192,216	192,654	439	0.23%
Monmouthshire	135,248	134,833	-416	-0.31%
Newport	329,322	329,786	463	0.14%
Cardiff	674,886	674,863	-23	0.00%
Total Unitary Authorities	6,139,078	6,139,078		