

DISTRIBUTION SUB-GROUP (DSG)

Minutes of meeting held on 10 November 2025 (Microsoft Teams)

Welsh Government (WG)

Judith Cole (Local Government Finance Policy & Sustainability) - Chair
Clare Blake (Local Government Finance Reform)
Emma Smith (Local Government Finance Policy & Sustainability)
Andrea Melvin (Local Government Finance Policy & Sustainability)
Simon Edwards (Local Government Finance Policy & Sustainability)
Rhiannon Jones (Local Government Finance Policy & Sustainability)
Freya Gregory (Local Government Finance Policy & Sustainability) – Note Taker

Welsh Local Government Association (WLGA/ LA)

Jon Rae (WLGA)
Lisa Hayward (WLGA)
Nathan Gardner (WLGA)
Hayley Randall (Data Cymru)
Jane Thomas (Powys)
Dewi Aeron Morgan (Gwynedd)
Jonathan Davies (Monmouthshire)
Ian Allwood (Cardiff)
Duncan Hall (Ceredigion)

Independent members

Chris Barton (Independent)

Apologies

Dr Dennis de Widt (Independent)
Guto Ifan (Independent)
Carys Lord (Bridgend)
Barrie Davies (Rhondda Cynon Taf)
Liz Thomas (Denbighshire)

Item 1: Welcome, Apologies and Introductions

1. The Chair welcomed the group to the meeting, recorded apologies and agreed to the use of copilot for the minutes of this meeting.

Item 2: Minutes and matters arising from the previous meeting (30 January 2025)

2. The group agreed the minutes from the previous DSG meeting. Jon Rae queried Cardiff's population figures as they did not follow trends of similar authorities. Ian Allwood confirmed that they had looked into it as an authority and believed the changes were to do with the 16-25 population cohort and they had not found any inconsistencies with their returns, attributing the change to the student population and the timing of the collection.

Item 3: Paper 13 – Updating the (24-25) RO data for the 2026-27 Settlement

3. Rhiannon Jones presented the tables in Paper 13 describing the impact of using the latest (2024-25) RO data on the 2025-26 settlement. Rhiannon then asked for agreement on using the latest RO data in the 2026-27 settlement.
4. Ian Allwood noted as a point of interest the increase in the debt financing costs.
5. Jon Rae observed that the distribution to CTRS which is capped in the settlement at £244million, where in this RO distribution allocates £314million to this sector, leaving an £80million discrepancy. The settlement team agreed that this would be looked at as part of the settlement review work.
6. Duncan Hall raised that there seems to be a more favourable movement of funding to rural authorities in the RO exemplification, which is counter-balanced by a more favourable movement of funding to urban authorities in the RA exemplification. Duncan queried whether there was an understanding of this shift. Rhiannon offered to investigate this after the provisional settlement publication.
7. The group discussed the above considerations but agreed to the use of the latest RO data within the 2026-27 settlement.

Recommendation – Use the 2024-25 RO data in the 2026-27 settlement.

Action – Settlement team to investigate the impact of RO and RA data on local authorities of different rurality's after the provisional settlement.

Item 4: Paper 14 – DSG Progress Report (Draft)

8. Judith introduced the item and asked the group for their thoughts on the draft progress report.
9. Jon Rae suggested the complexity of the settlement review work could be emphasized more within the progress report. The settlement team agreed and shared that the settlement review would have its own agenda at the upcoming FSG meeting.
10. Jonathan Davies queried the missing RO data in the components of change table within the report. Andrea Melvin assured that these would be added after this meeting with the latest data as DSG recommended in this meeting.
11. Judith raised that the independent report still mentions frozen datasets within the settlement which are being addressed by the settlement review formulae. Chris Barton offered to amend the independent report to reflect the ongoing work.
12. Members gave amendments to their titles listed on the progress report.

Action – Settlement team to make suggested edits to the draft DSG progress report prior to sending to FSG.

Action – Independent members to amend the independent report for the DSG progress report.

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Item 5: Any Other Business

13. Jon Rae asked if there was a plan to unfreeze the children in out of work families indicator used in the social services formulae as various colleagues from north Wales authorities had raised this query. Andrea explained social care colleagues had been engaged as this dataset no longer existed, it would not be updated for the 2026-27 settlement but would hopefully be replaced with a suitable substitute for the 2027-28 settlement.

Actions Outstanding

	<u>Meeting Action</u>	<u>Owner</u>	<u>Date raised</u>	<u>Date completed</u>
1	Settlement team to investigate the impact of RO and RA data on local authorities of different rurality's, after the provisional settlement.	Settlement team	10/11/2025	Completed
2	Settlement team to make suggested edits to the draft DSG progress report prior to sending to FSG.	Settlement team	10/11/2025	Completed
3	Independent members to amend the independent report for the DSG progress report.	Independent members	10/11/2025	Completed
	<u>Previous Actions</u>	<u>Owner</u>	<u>Date raised</u>	<u>Date completed</u>
1	Settlement team to look into defining principles for phasing in new data and new weightings into the settlement	Settlement team	17/09/2025	Ongoing as part of settlement review.
2	Settlement team to bring an exemplification to DSG in 2022 based sub-national population projections if appropriate to the settlement timeline.	Settlement team	17/09/2025	Data not published in time
3	Settlement team to create a visualisation and explanation of the impact of RA data changes and circulate with the group.	Settlement team	17/09/2025	To be published alongside provisional settlement on 24 th November.
4	Simon Edwards to amend Paper 12 and share changes with DSG for agreement.	Simon Edwards	17/09/2025	Completed
5	Settlement team to investigate the delegation of Post-16 Institutions to LAs.	Settlement team	17/09/2025	Completed

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6	Settlement team to rearrange upcoming DSG meeting in line with publication of the provisional settlement and members commitments.	Settlement team	17/09/2025	Completed
7	Settlement team to assess the wording of terms of reference regarding specific grants and engagement with other departments regarding DSG's inclusion within specific grants decision making.	WG Settlement team	30/01/2025	Ongoing work to engage Welsh Government departments regarding specific grants.
8	Settlement team to investigate the integrity of eFSM or TP data in relation to schools' populations and benefits data	WG Settlement team	19/09/2024	Ongoing – captured in work programme
9	Council Tax Reform item to be included on the agenda for future DSG meetings	WG Settlement team	21/05/2024	Ongoing, discussions will be regularly held with DSG
10	WG Settlement team to present the Nursery and primary Schools recalibration analysis and progress the conversation with Education officials and ADEW	Simon Edwards	21/05/2024	Completed, included in the work program

**Local Government Finance Policy and Sustainability Division
Welsh Government**