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## **2017-18 Local Government Revenue and Capital Settlements Work Programme**

### **Introduction**

The work programme for 2017-18 has been split into two parts: those items that are essential for consideration during 2016; and those items that are not considered essential but should be addressed.

### **Scope and requirements**

The key essential areas of work for completion during 2016 are summarised below.

- To consider the possible implications for the funding formulae taking account of the Welsh Government Reforming Local Government Programme.
- Stability mechanisms – advise on the requirement and application of stability mechanisms.
- To consider the implications the UK Government's Welfare Reform might have for the underlying data used in the Settlement calculations.
- To consider distributional issues regarding transfers of specific grant funding into and out of the Local Government Settlement.
- To consider the underlying financial data that feeds into the Settlement build (namely the RO and RA data financial data returns), including the treatment of CTRS funding.
- Homelessness – review the homelessness data in the non-HRA housing formula following the changes to housing legislation.

The areas of work that are considered important to progress during 2016 are summarised below.

- PSS Sparsity – continue the work identified in relation to sparsity within the PSS formulae regarding travel time.
- Waste Services – review the formulae for Waste Services.
- Education Formulae – review the applicability of a bottom-up cost model in Wales.

### **Longer-term Work Programme**

The focus of the group in the longer-term will centre on taking a more holistic review of the funding formula and considering the implications of the Welsh Government's Reforming Local Government Programme. The 5-year work programme from previous years has been put on hold in order to allow the group to focus on more substantial items, as agreed at the November 2013 DSG meeting.

**Work Streams (subgroups) - For DSG consideration throughout the year**

- The Waste subgroup will continue to consider a new formula and approach for the distribution of funding for waste services.
- The Education subgroup will continue working towards a unit cost approach for the education formula.
- The Sparsity work-stream will continue working towards an improved measure within the Personal Social Services sector.

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Details of group membership and objectives can be found in Annex A of the DSG Terms of Reference.

**Beyond the 2017-18 Settlement**

The programme of work being taken forward under the Reforming Local Government agenda will have implications for DSG's work programme.

DSG will need to identify and consider these implications. In particular for some current areas of work such as the sparsity review, waste services and the unit cost approach to the education formula need to align with the Reform Programme.

**DSG Work Programme**

A detailed schedule of work for 2016 and is at Annex A.

**Local Government Finance Policy  
Welsh Government**