

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 2017-18 Settlement

Summary

1. This paper looks at the impact on the 2017-18 Settlement of the change in Revenue Account (RA) data between 2015-16 and 2016-17.
2. This paper looks at the financial implications of updating the RA data in the Standard Spending Assessment (SSA) build. *Please note that these figures are being run against the 2016-17 Final Total SSA Settlement distribution for the purposes of exemplification.*

Views sought

3. For DSG 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 (2015) – Paper 12: Latest RA data for the 2016-17 Settlement*
<http://gov.wales/docs/dsilq/minutes/150708-dsg-paper12-en.pdf>

Distribution Sub-Group (2014) – Paper 12: Latest RA and RO data
<http://gov.wales/docs/dsilq/minutes/140707-dsg-paper12.pdf>

Distribution Sub-Group (2013) - Paper 18: Latest RA and RO data
<http://wales.gov.uk/docs/dsilq/minutes/130719-dsg-paper18-en.pdf>

Distribution Sub-Group (2012) - Paper 32: Latest RA and RO data for 2013-14 settlement.
<http://wales.gov.uk/docs/dsilq/meetings/120717dsg201232en.doc>

Distribution Sub-Group (2016) Paper 15 – Latest RA Data for the 2017-18 Settlement

Background

5. 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 2016-17 Settlement, the 2015-16 RA forms were used. This paper updates the RA expenditure from 2015-16 to 2016-17 for the 2017-18 Settlement.
6. 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 2017-18 Settlement, it is the intention that the latest expenditure data taken from the 2015-16 RO forms are to be used. This will be the subject of a further paper.
7. This paper provides exemplifications of the isolated changes of the RA forms, run against the 2016-17 Settlement.

Changes in the RA data

8. Since the RA expenditure data was last used in the SSA build, there have been a number of changes to the RA form mainly reflecting changes to specific grants as detailed in Annex B. The changes to the structure of the RA form make no material difference to SSA build. The model has been adjusted to take into account these changes and details of the current build are outlined in annex D.
9. The tables in Annex A show the change in RA data from 2015-16 to 2016-17 when split into the 8 sectors used in the SSA calculations (Schools services; Other Education; PSS; Transport; Fire; Other Services, Council Tax Reduction Schemes (CTRS) and Capital Financing).
10. Table A1 shows that overall budgeted expenditure increased by 1.1%. Capital shows the highest decrease of 5.23% followed by Transport and Other Education which show decreases of 2.46% and 0.97% respectively. The Other Services sector shows the largest increase of 4.49% in budgeted expenditure.
11. Table A2 shows the change in relative shares of the 8 RA sectors between 2015-16 and 2016-17, using the figures from Table A1.

Financial implications

12. Table C1 shows the changes in the 2016-17 Total SSA when updating the RA data. This is to show the isolated effect the latest RA data has using the 2016-17 Settlement allocations. Cardiff and Swansea have the largest increases in SSA of £0.287m and £0.151m respectively. The largest decreases in SSA are for Powys (£0.215m) and Gwynedd (£0.145m)

Conclusion

13. For the 2016-17 Settlement calculations, it is the intention to use the latest (2015-16) RO data and (2016-17) RA data - in line with Society of Welsh Treasurers (SWT) principles.
14. DSG Members are asked to note this paper and agree to the update of the RA data.

Local Government Finance Policy Welsh Government

Table A1: Change in RA data, by sector, all Wales: 2015-16 to 2016-17

Service sector	2015-16	2016-17	Difference	
			£000s	%
School Services	2,167,111	2,193,685	26,574	1.23%
Other Education	41,911	41,503	-408	-0.97%
PSS	1,446,768	1,462,194	15,426	1.07%
Transport	200,318	195,384	-4,934	-2.46%
Fire	130,264	133,127	2,863	2.20%
Other Services	856,961	895,434	38,473	4.49%
Capital	375,418	355,775	-19,643	-5.23%
CTRS	255,672	257,706	2,034	0.80%
Total Budget requirement	5,474,421	5,534,807	60,385	1.10%

Table A2: Change in relative share of RA data, by sector, all Wales: 2015-16 to 2016-17

Service sector	2015-16	2016-17	Difference	
			%point	%
School Services	39.59%	39.63%	0.05%	0.12%
Other Education	0.77%	0.75%	-0.02%	-2.06%
PSS	26.43%	26.42%	-0.01%	-0.04%
Transport	3.66%	3.53%	-0.13%	-3.53%
Fire	2.38%	2.41%	0.03%	1.08%
Other Services	15.65%	16.18%	0.52%	3.35%
Capital	6.86%	6.43%	-0.43%	-6.27%
CTRS	4.67%	4.66%	-0.01%	-0.30%
Total Budget requirement	100.00%	100.00%	0.00%	0.00%

Table B: Key Changes to the 2016-17 Revenue Account Form from 2015-16

RA Services page – one line added under Police Services	
102.15	Services to Victims and Witnesses of Crime
RAG – lines amended	
133	Adult Community Learning (formerly Community learning)
210	Local Transport Fund (formerly Local Transport Grant)
733	Town Centre Partnerships (now includes tidy towns grant)
RAG – lines removed	
717	Outcome agreement grant (was A.I.G.) (transferring into RSG in 2016-17)
718	Tidy towns grant (Merged with Town Centre Partnerships, line 733)
729	Regional collaboration grant (ending in 2015-16, no grant for 2016-17)

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Annex C

Table C: Isolated change in 2016-17 total SSA, when updating the RA data from 2015-16 to 2016-17

Unitary Authority:	2016-17 total SSA using:					
	2015-16 RA data		2016-17 RA data		Difference	
	£000s	Shares	£000s	Shares	£000s	Shares
Isle of Anglesey	125,347	2.3%	125,297	2.3%	-50	0.00%
Gwynedd	221,839	4.1%	221,694	4.1%	-145	0.00%
Conwy	204,382	3.8%	204,341	3.8%	-41	0.00%
Denbighshire	182,572	3.4%	182,521	3.4%	-51	0.00%
Flintshire	253,738	4.7%	253,727	4.7%	-10	0.00%
Wrexham	228,339	4.2%	228,378	4.2%	40	0.00%
Powys	236,065	4.4%	235,850	4.3%	-215	0.00%
Ceredigion	131,151	2.4%	131,072	2.4%	-79	0.00%
Pembrokeshire	216,784	4.0%	216,703	4.0%	-80	0.00%
Carmarthenshire	330,855	6.1%	330,762	6.1%	-92	0.00%
Swansea	407,274	7.5%	407,425	7.5%	151	0.00%
Neath Port Talbot	258,331	4.8%	258,357	4.8%	26	0.00%
Bridgend	245,462	4.5%	245,475	4.5%	12	0.00%
The Vale of Glamorgan	213,883	3.9%	213,900	3.9%	16	0.00%
Rhondda Cynon Taf	436,708	8.0%	436,770	8.1%	62	0.00%
Merthyr Tydfil	109,476	2.0%	109,510	2.0%	34	0.00%
Caerphilly	330,139	6.1%	330,153	6.1%	14	0.00%
Blaenau Gwent	132,324	2.4%	132,330	2.4%	7	0.00%
Torfaen	165,460	3.0%	165,503	3.1%	43	0.00%
Monmouthshire	141,267	2.6%	141,245	2.6%	-22	0.00%
Newport	271,331	5.0%	271,426	5.0%	95	0.00%
Cardiff	582,402	10.7%	582,689	10.7%	287	0.01%
Total Unitary Authorities	5,425,128	100.0%	5,425,128	100.0%	0	0.00%

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Annex D

Education

Form	Line	Line Description
RA	24	Education (totals carried forward from RA(S52))

Less:

Form	Line	Line Description
RAG	106	Families First (education)
RAG	118	Post-16 provision in schools
RAG	119	European community grants for education
RAG	129	Flying start (education)
RAG	133	Adult Community Learning (formerly Community learning)
RAG	143	Big lottery fund
RAG	145	School uniform grant
RAG	151	NOVUS grant
RAG	152	EEC milk grant
RAG	154	Youth service
RAG	162	Language and play
RAG	164	Pupil deprivation grant
RAG	166	Communities First (Education)
RAG	167	Education Improvement Grant for Schools
RAG	198	Other education (including emergency financial assistance)

Split into Schools and non-schools proportionately using the sum of the following budgeted costs net of grants from StatsWales:

Schools	Non-Schools
Total Schools budget	LEA Budget - Access to education (excluding transport) - non-school
LEA Budget - Additional learning needs	LEA Budget - Home to college transport
LEA Budget - School improvement	LEA Budget - Further education and training for young persons and adults (excluding youth service)
LEA Budget - Access to education (excluding transport) - school	LEA Budget - Youth service
LEA Budget - Home to school transport	LEA Budget - Strategic management - non-school
LEA Budget - Strategic management - schools	LEA Budget - Other LEA budget - non-schools
LEA Budget - Other LEA budget - schools	

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Personal Social Services

Sum of:

Form	Line	Line Description
RA	38.6	Children's centres/flying start and early years
RA	39.2	Children looked after
RA	39.3	Family support services
RA	39.4	Youth justice
RA	39.44	Safeguarding children and young peoples services
RA	39.45	Asylum seekers
RA	39.47	Services for young people
RA	39.5	Other children's and families' services
RA	39.8	Service strategy - adults social care
RA	40	Older people (aged 65 and over) including older mentally ill
RA	41	Adults aged under 65 with a physical disability or sensory impairment
RA	42	Adults aged under 65 with learning disabilities
RA	43	Adults aged under 65 with mental health needs
RA	46	Other adult social services
RA	38.6	Children's centres/flying start and early years

Less:

Form	Line	Line Description
RAG	304	Families First spent on social services
RAG	309	Social Care Workforce Development Programme
RAG	311	Supporting People (social services)
RAG	312	Youth Justice Board
RAG	321	Community purposes (social services)
RAG	328	Flying start (social services)
RAG	330	Communities First (social services)
RAG	331	Substance misuse action fund
RAG	332	Domestic abuse service grant
RAG	333	Youth Crime Prevention Fund
RAG	334	Delivering Transformation
RAG	335	Out of School Childcare
RAG	398	Other social services (including emergency financial assistance) (specify on last page)

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Transport

Sum of:

Form	Line	Line Description
RA	25	Transport planning, policy and strategy
RA	26	Structural maintenance
RA	27	Capital charges relating to construction projects
RA	28	Environment, safety and routine maintenance
RA	29.1	Street lighting (including energy costs)
RA	29.2	Winter service
RA	30	Traffic management and road safety
RA	32	Parking services
RA	36.1	Public transport
RA	37	Airports, harbours and toll facilities

Less:

Form	Line	Line Description
RAG	203	Concessionary fares re-imbusement grant
RAG	208	Bus Services Support Grant
RAG	209	Bus Revenue Support
RAG	210	Local Transport Fund (formerly Local Transport Grant)
RAG	211	Youth Concessionary Fares Scheme
RAG	212	Road Safety Grant
RAG	298	Other Road and Transport (specify on last page)

Fire

Sum of Fire and Rescue Authority (FRA) expenditure on:

Form	Line	Line Description
RA	103	Community safety
RA	104	Fire-fighting and rescue operations
RA	106	Fire service emergency planning

Less FRA expenditure on:

Form	Line	Line Description
RAG	798	Other (including emergency financial assistance) (specify on last page)

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Other Services

Sum of Unitary Authority (UA) and FRA expenditure on:

Form	Line	Line Description
RA	47	Culture and heritage
RA	48	Library service
RA	49	Recreation and sport
RA	50	Open spaces
RA	51	Tourism
RA	52	Cemetery, cremation and mortuary services
RA	53	Coast protection
RA	54	Regulatory services - Environmental Health (including food safety and housing standards)
RA	58	Street cleansing (not chargeable to highways)
RA	59.2	Community safety (safety services)
RA	59.3	Community safety (CCTV)
RA	59.4	Community safety (crime reduction excluding CCTV)
RA	60	Flood defence and land drainage
RA	61	Agriculture and fisheries services
RA	62	Regulatory services - trading standards
RA	63.1	Waste collection
RA	63.2	Waste disposal
RA	63.3	Trade waste
RA	63.4	Recycling
RA	63.5	Waste minimisation
RA	63.6	Climate change costs
RA	65	Building control
RA	66	Development control
RA	67	Planning policy
RA	68	Environmental initiatives
RA	69	Economic development
RA	69.1	Economic research
RA	69.2	Business support
RA	70	Community development
RA	72	Coroners' court services
RA	73	Other court services
RA	74	Housing strategy
RA	75	Enabling
RA	75.1	Licensing of private sector landlords
RA	75.2	Contributions to the HRA
RA	75.3	HRA related pension costs
RA	76	Housing advice
RA	77	Housing advances
RA	78	Private sector housing renewal
RA	79	Homelessness
RA	80	Housing benefits payments
RA	81	Housing benefit administration

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RA	82	Other welfare services
RA	83	Supporting people
RA	85	Other council property
RA	89	Local tax collection
RA	89.1	Registration of births, deaths and marriages
RA	90	Elections
RA	91	Emergency planning
RA	92.1	Local land charges
RA	92.2	General grants, bequests and donations
RA	92.3	Local welfare assistance schemes
RA	114	Other services including adjustment to capital charges in respect of recharged administration and support (Counties, Police, Fire and National Parks)
RA	115	Corporate management
RA	116	Democratic representation and management
RA	117	Non distributable costs - retirement benefits
RA	117.1	Non distributable costs - costs of unused shares of IT facilities & other assets
RA	118	Unallocated contingencies
RA	120	Community council precepts
RA	121	Payment to or to be received by combined fire authority*
RA	122	Payment to or to be received by national park authority*
RA	123	Levies to the Environment Agency in respect of local flood defence committees
RA	124	Levies to the Internal Drainage Boards
RA	125	Levies to the Environment Agency acting as an Internal Drainage Board
RA	127	Levies to national police services
RA	128	Other levies
RA	129	(Non-significant) surpluses/deficits on internal trading accounts not disaggregated to services
RA	130	Other adjustments including administrative cost of late rating adjustments etc.
RA	132	Bad debt 'provision'
RA	141	Capital expenditure charged to revenue account
RA	144	External interest receipts on Non-HRA balances

Less UA and FRA expenditure on:

Form	Line	Line Description
RA	120	Community council precepts
RAG	401	Housing benefit administration grant
RAG	402	Supporting People (Housing)
RAG	403	Community purposes (housing)
RAG	406	Mandatory rent allowances
RAG	407	Rent rebates granted to HRA tenants
RAG	498	Other housing (including Emergency Financial Assistance) (specify on last page)

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RAG	601	National Parks' grant (national park authorities only)
RAG	702	Families First: other local services
RAG	709	Culture and Heritage (including CyMAL Innovation and Development Grants)
RAG	710	Countryside Council For Wales
RAG	711	European Community grants for other local services (Objective 1 etc.)
RAG	713	Recreation and Sport
RAG	719	Waste grant
RAG	720	Community purposes (other)
RAG	724	Community cohesion fund
RAG	726	Community Fire Safety (fire authorities only)
RAG	730	Lead Local Flood Authorities (LLFA) Grant
RAG	731	Flood and Coastal Erosion Risk Management
RAG	732	Land Reclamation
RAG	733	Town Centre Partnerships
RAG	734	Youth Work Strategy Support Grant
RAG	598	Other Home Office, Department for Constitutional Affairs and Unified Courts Administration (specify on last page)
RAG	798	Other (including emergency financial assistance) (specify on last page)

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Debt Financing

Sum of UA and FRA expenditure on:

Form	Line	Line Description
RA	133	Provision for repayment of principal (before application of the commutation adjustment)
RA	134	Commutation adjustment (enter as a negative any adjustment which reduces MRP and vice versa)
RA	135	External interest payments
RA	136	Premia and discounts on debt rescheduling
RA	137	HRA 'item 8' interest payments/receipts
RA	139	Capital financing element within Private Finance Initiative (PFI) schemes
RA	140	Leasing payments (excluding any capital financing element within PFI schemes)
RA	145	External interest receipts on HRA balances
RA	145.1	Appropriations to/from financial instruments adjustment account
RA	145.2	Appropriations to/from unequal pay back pay account

Less UA and FRA expenditure on:

Form	Line	Line Description
RAG	198 (capital financing grants and capital element of PFI)	Other education (including emergency financial assistance)
RAG	298 (capital financing grants and capital element of PFI)	Other Road and Transport (specify on last page)
RAG	598 (capital financing grants and capital element of PFI)	Other Home Office, Department for Constitutional Affairs and Unified Courts Administration (specify on last page)

Council Tax Reduction Schemes

Form	Line	Line Description
RA	162	Council Tax reduction scheme (including RSG element)