

## ***Distribution Sub-Group (2017) Paper 16 – Latest RO and RA Data for the 2018-19 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 RO and RA data for the 2018-19 Settlement**

#### **Summary**

1. This paper looks at the impact on the 2018-19 Settlement of updating the Revenue Outturn (RO) data from 2015-16 to 2016-17 and the Revenue Account (RA) data from 2016-17 to 2017-18.
2. It also looks at the financial implications of updating the RO data alone in the Standard Spending Assessment (SSA) build. *Please note that these figures are being run against the 2017-18 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 RO and RA data in the Settlement model.

#### **Related papers**

4. *Distribution Sub-Group (2017) - Paper 09: Latest RA data for the 2018-19 Settlement*

*Distribution Sub-Group (2016) - Paper 18: Updating the (15-16) RO data for the 2017-18 Settlement*

*Distribution Sub-Group (2016) - Paper 15: Updating the RA Data for the 2017-18 Settlement*

*Distribution Sub-Group (2015) - Paper 17: Latest RO and RA data for the 2016-17 Settlement*  
<http://gov.wales/docs/dsjlg/minutes/150916-distribution-sub-group-paper17.pdf>

*Distribution Sub-Group (2014) - Paper 18: Latest RO and RA data for the 2015-16 Settlement*  
<http://gov.wales/docs/dsjlg/minutes/140910-dsg-paper18.pdf>

*Distribution Sub-Group (2014) - Paper 12: Latest RO and RA data for the 2015-16 Settlement*  
<http://gov.wales/docs/dsjlg/minutes/140707-dsg-paper12.pdf>

*Distribution Sub-Group (2013) - Paper 18: Latest RA and RO data*  
<http://wales.gov.uk/docs/dsjlg/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/dsjlg/meetings/120717dsg201232en.doc>

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### **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 2017-18 Settlement, the 2016-17 RA forms were used. This paper updates the RA expenditure from 2016-17 to 2017-18 for the 2018-19 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 2018-19 Settlement, it is the intention that the latest expenditure data taken from the 2016-17 RO forms are to be used.
7. This paper provides exemplifications of the isolated changes of the RO forms, run against the 2017-18 Settlement as well as the combined implications of updating both the RO and RA data.

### **Changes in the RO data**

8. Since the 2015-16 RO expenditure data was last used in the SSA build, there has been one change to the RO form, with the addition of line 16.5 in the RO2 form: *Traffic management – bus lane enforcement*. This has been added to the build of the *Road Maintenance Indicator Based Assessment (IBA)*, where the general *Traffic Management* line currently sits.
9. Table 1 shows the change in RO service data between 2015-16 and 2016-17. The table shows a variety of increases and decreases across the service areas.
10. As with the previous year's data, the cemeteries and crematoria expenditure line is shown to be negative at an all Wales level. This is down to authorities receiving more funding through income from sales, fees and charges and grants than is spent on the service. This appears to be reflective of the changing way in which the service is being delivered. It is not unusual for individual local authorities to show negative expenditure, but this is usually cancelled out by the remaining authorities.
11. It is proposed to allow the negative IBA total for cemeteries and crematoria to flow through the model to reflect the way in which this service is being funded across Wales, in line with the recommendation made by the DSG in 2016.
12. There are monetary decreases in expenditure in all services within the *school services* sector, apart from *special education*, which sees an increase of £2.4 million. Most notably, there are decreases of £24m and £30m in *nursery and primary school teaching and other services* and *secondary school teaching and other services* respectively.
13. Within the *Personal Social Services (PSS)* sector, there is an increase in expenditure on *children and young persons*, with decreases in *younger adults' PSS* and *older adults' residential and domiciliary care* services of £12m and £23m respectively.
14. Within the *transport* sector, all services saw decreases in expenditure, with the exception of *concessionary fares*, which saw an increase of £0.19m.
15. There are monetary decreases in expenditure on the majority of services in the *other services* sector, most notably *recreation* (£10m), *library services* (£5.4m), *economic development* (£5.3m) and *cultural services* (£2.6m).
16. The data at this stage is still provisional but we do not expect the data to change significantly once the necessary validation is completed.

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### **Financial implications**

17. Table 2 shows the change in 2017-18 Total SSA when updating just the RO data from 2015-16 to 2016-17. This is to show the isolated effect the latest RO data has on the 2017-18 Settlement. Cardiff shows the largest increase due to the updated RO expenditure at £818k, whilst Carmarthenshire shows the largest decrease in SSA at £235k.
18. Table 3 shows the combined effect of updating both the RO and RA data in the build of the 2017-18 Settlement. Cardiff sees the largest increase in SSA at £1.1m. Powys sees the largest decrease in SSA of around £396k.

### **Conclusion**

19. DSG members are asked to agree to the update of the RO data used in the 2018-19 Settlement to the latest available (2016-17) RO data.

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**Annex A**

**Table 1: Changes in RO data, by service, all Wales: 2015-16 to 2016-17**

Service	2015-16		2016-17		Difference	
	£000s	Shares	£000s	Shares	£000s	Shares
<b>School Services</b>						
Nursery and primary school teaching and other services	1,013,567	22.1%	989,881	22.3%	-23,686	0.20%
Secondary school teaching and other services	812,435	17.7%	782,681	17.7%	-29,755	-0.08%
Special education	215,512	4.7%	217,909	4.9%	2,397	0.21%
Nursery and primary school transport services	25,738	0.6%	25,359	0.6%	-380	0.01%
Secondary school transport services	51,407	1.1%	48,625	1.1%	-2,782	-0.03%
School meals	44,153	1.0%	39,414	0.9%	-4,739	-0.07%
<b>Other Education</b>						
Adult and continuing education	7,284	0.2%	7,037	0.2%	-247	0.00%
Adult and continuing education transport	8,717	0.2%	7,640	0.2%	-1,077	-0.02%
Youth services	22,069	0.5%	19,530	0.4%	-2,539	-0.04%
Education administration	2,983	0.1%	2,754	0.1%	-229	0.00%
<b>PSS</b>						
Children and young persons (PSS)	423,609	9.3%	424,811	9.6%	1,202	0.33%
Younger adults' personal social services	489,357	10.7%	477,855	10.8%	-11,503	0.10%
Older adults' residential and domiciliary care	532,344	11.6%	509,835	11.5%	-22,509	-0.12%
PSS administration	9,364	0.2%	8,377	0.2%	-986	-0.02%
<b>Transport</b>						
Road maintenance	132,942	2.9%	121,227	2.7%	-11,715	-0.17%
Street lighting	32,741	0.7%	29,697	0.7%	-3,045	-0.04%
Public transport revenue support	16,307	0.4%	12,939	0.3%	-3,368	-0.06%
Concessionary fares	9,577	0.2%	9,767	0.2%	190	0.01%
Road safety education and safe routes	4,587	0.1%	4,529	0.1%	-59	0.00%
<b>Other services</b>						
Electoral registration	5,413	0.1%	5,233	0.1%	-179	0.00%
Recreation	123,508	2.7%	113,418	2.6%	-10,091	-0.14%
Library services	46,817	1.0%	41,443	0.9%	-5,374	-0.09%
Cultural services	28,051	0.6%	25,429	0.6%	-2,622	-0.04%
Economic development	26,735	0.6%	21,423	0.5%	-5,313	-0.10%
Cemeteries and crematoria	-1,016	0.0%	-2,186	0.0%	-1,169	-0.03%
Coast protection	1,057	0.0%	925	0.0%	-132	0.00%
Consumer protection	11,831	0.3%	11,860	0.3%	29	0.01%
Planning	20,546	0.4%	20,617	0.5%	71	0.02%
Street cleansing	48,281	1.1%	46,731	1.1%	-1,550	0.00%
Food safety	9,854	0.2%	9,096	0.2%	-758	-0.01%
Other environmental health and port health	36,959	0.8%	35,981	0.8%	-978	0.00%
Refuse collection	81,602	1.8%	83,195	1.9%	1,593	0.10%
Refuse disposal	85,861	1.9%	82,403	1.9%	-3,459	-0.02%
Non HRA housing	28,173	0.6%	26,671	0.6%	-1,501	-0.01%
Council tax administration	30,357	0.7%	28,750	0.6%	-1,607	-0.01%
Other services	60,994	1.3%	66,839	1.5%	5,845	0.18%
General administration	78,640	1.7%	73,346	1.7%	-5,294	-0.06%
<b>Out-turn services total</b>	<b>4,578,357</b>	<b>100.0%</b>	<b>4,431,040</b>	<b>100.0%</b>	<b>-147,317</b>	<b>0.00%</b>

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**Annex B**

**Table 2: Isolated change in 2017-18 total SSA, when updating the RO data from 2015-16 to 2016-17**

<b>Unitary Authority:</b>	<b>2017-18 total SSA using:</b>				<b>Difference</b>	
	<b>2015-16 RO data</b>		<b>2016-17 RO data</b>		<b>Shares</b>	
	<b>£000s</b>	<b>Shares</b>	<b>£000s</b>	<b>Shares</b>	<b>£000s</b>	<b>(percentage point)</b>
Isle of Anglesey	127,453	2.3%	127,371	2.3%	-81	0.00%
Gwynedd	226,413	4.1%	226,322	4.1%	-92	0.00%
Conwy	207,919	3.8%	207,689	3.8%	-230	0.00%
Denbighshire	185,620	3.4%	185,560	3.4%	-60	0.00%
Flintshire	257,526	4.7%	257,533	4.7%	7	0.00%
Wrexham	230,510	4.2%	230,646	4.2%	136	0.00%
Powys	239,309	4.3%	239,173	4.3%	-135	0.00%
Ceredigion	134,235	2.4%	134,064	2.4%	-171	0.00%
Pembrokeshire	219,607	4.0%	219,523	4.0%	-84	0.00%
Carmarthenshire	335,323	6.1%	335,087	6.1%	-235	0.00%
Swansea	414,595	7.5%	414,525	7.5%	-70	0.00%
Neath Port Talbot	262,581	4.8%	262,492	4.8%	-89	0.00%
Bridgend	248,593	4.5%	248,650	4.5%	56	0.00%
The Vale of Glamorgan	216,807	3.9%	216,799	3.9%	-8	0.00%
Rhondda Cynon Taf	442,518	8.0%	442,438	8.0%	-81	0.00%
Merthyr Tydfil	109,683	2.0%	109,753	2.0%	69	0.00%
Caerphilly	333,301	6.1%	333,311	6.1%	9	0.00%
Blaenau Gwent	133,102	2.4%	133,084	2.4%	-19	0.00%
Torfaen	166,924	3.0%	166,998	3.0%	74	0.00%
Monmouthshire	143,880	2.6%	143,838	2.6%	-42	0.00%
Newport	274,653	5.0%	274,880	5.0%	227	0.00%
Cardiff	592,630	10.8%	593,448	10.8%	818	0.01%
<b>Total Unitary Authorities</b>	<b>5,503,184</b>	<b>100.0%</b>	<b>5,503,184</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>

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**Annex C**

**Table 3: Combined change in 2017-18 total SSA, when updating both the RA and the RO data**

<b>Unitary Authority:</b>	<b>2017-18 total SSA using:</b>					
	<b>2016-17 RA data</b>		<b>2017-18 RA data</b>		<b>Difference</b>	
	<b>2015-16 RO data</b>		<b>2016-17 RO data</b>			
	£000s	Shares	£000s	Shares	£000s	Shares (percentage point)
Isle of Anglesey	127,453	2.3%	127,295	2.3%	-158	0.00%
Gwynedd	226,413	4.1%	226,089	4.1%	-325	-0.01%
Conwy	207,919	3.8%	207,704	3.8%	-215	0.00%
Denbighshire	185,620	3.4%	185,543	3.4%	-77	0.00%
Flintshire	257,526	4.7%	257,395	4.7%	-131	0.00%
Wrexham	230,510	4.2%	230,687	4.2%	177	0.00%
Powys	239,309	4.3%	238,913	4.3%	-396	-0.01%
Ceredigion	134,235	2.4%	133,942	2.4%	-293	-0.01%
Pembrokeshire	219,607	4.0%	219,400	4.0%	-207	0.00%
Carmarthenshire	335,323	6.1%	334,989	6.1%	-333	-0.01%
Swansea	414,595	7.5%	414,706	7.5%	111	0.00%
Neath Port Talbot	262,581	4.8%	262,629	4.8%	47	0.00%
Bridgend	248,593	4.5%	248,658	4.5%	65	0.00%
The Vale of Glamorgan	216,807	3.9%	216,727	3.9%	-81	0.00%
Rhondda Cynon Taf	442,518	8.0%	442,583	8.0%	64	0.00%
Merthyr Tydfil	109,683	2.0%	109,849	2.0%	166	0.00%
Caerphilly	333,301	6.1%	333,339	6.1%	38	0.00%
Blaenau Gwent	133,102	2.4%	133,173	2.4%	70	0.00%
Torfaen	166,924	3.0%	167,098	3.0%	174	0.00%
Monmouthshire	143,880	2.6%	143,747	2.6%	-133	0.00%
Newport	274,653	5.0%	275,005	5.0%	352	0.01%
Cardiff	592,630	10.8%	593,712	10.8%	1,082	0.02%
<b>Total Unitary Authorities</b>	<b>5,503,184</b>	<b>100.0%</b>	<b>5,503,184</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>