

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 2019-20 Settlement

Summary

1. This paper looks at the impact on the 2019-20 Settlement of the change in Revenue Account (RA) data between 2017-18 and 2018-19
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 2018-19 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 \(2017\) - Paper 09 - Updating the RA Data for the 2018-19 Settlement](#)
[Distribution Sub Group \(2016\) - Paper 15 - Updating the RA Data for the 2017-18 Settlement](#)
[Distribution Sub-Group \(2015\) – Paper 12: Latest RA data for the 2016-17 Settlement](#)
[Distribution Sub-Group \(2014\) – Paper 12: Latest RA and RO data](#)
[Distribution Sub-Group \(2013\) - Paper 18: Latest RA and RO data](#)
[Distribution Sub-Group \(2012\) - Paper 32: Latest RA and RO data for 2013-14 settlement.](#)

Distribution Sub-Group (2018) Paper 20 – Latest RA Data for the 2019-20 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 2018-19 Settlement, the 2017-18 RA forms were used. This paper updates the RA expenditure from 2017-18 to 2018-19 for the 2019-20 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 2019-20 Settlement, it is the intention that the latest expenditure data taken from the 2017-18 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 2018-19 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 reflecting changes to specific grants as detailed in Annex A. The model has been adjusted to take into account these changes.
9. Lines 737 and 738, of the RAG element, currently have no financial data assigned to them. DSG are asked to agree which service blocks, if any, these should be mapped to.
10. The tables in Annex B show the change in RA data from 2017-18 to 2018-19 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).
11. Annex B, Table B1 shows that overall budgeted expenditure increased by 3.6 per cent. *Capital* shows the highest percentage decrease of 3.8 per cent followed by *Other Education* and *Transport* which show decreases of 2.5 per cent and 2.1 per cent respectively. The PSS sector shows the largest increase of 7.7 per cent in budgeted expenditure.
12. Annex B, Table B2 shows the change in relative shares of the 8 RA sectors between 2017-18 and 2018-19, using the figures from Table B1.

Financial implications

13. Annex C, Table C shows the changes in the 2018-19 Total SSA when updating the RA data. This is to show the isolated effect the latest RA data has using the 2018-19 Settlement allocations. Cardiff and Swansea have the largest monetary increases in SSA of £0.551m and £0.426m respectively. Blaenau Gwent had the largest percentage increase (up 0.2 per cent or £0.247m). The largest monetary decreases in SSA are for Flintshire (down £0.366m) and Powys (down £0.328m).

Conclusion

14. DSG to suggest the service blocks, if any, to map the remaining RA lines for future settlements.
15. For the 2019-20 Settlement calculations, it is the intention to use the latest (2017-18) RO data and (2018-19) RA data - in line with Society of Welsh Treasurers (SWT) principles.
16. DSG Members are asked to note this paper and agree to the update of the RA data.

Local Government Finance Policy Welsh Government

Distribution Sub-Group (2018) Paper 20 – Latest RA Data for the 2019-20 Settlement

Annex A

Table A: Key Changes to the 2018-19 Revenue Account Form from 2017-18

RAG – lines amended		Service
168	Flexible Funding (Education)	Edu
336	Childcare Offer	PSS
337	Flexible Funding (Social Services)	PSS
414	Flexible Funding (Housing)	Other
736	Waste Infrastructure Procurement Programme - Gate Fee Contributions	Other
737	Cardiff Capital City Deal	
738	High Street Rate Relief	
739	Flexible Funding (Other local services)	Other
RAG – lines removed		
143	Big lottery fund	
151	NOVUS grant	
309	Social Care Workforce Development Programme	
317	Welsh Independent Living Grant	
334	Delivering Transformation	
734	Youth Work Strategy Support Grant	

Distribution Sub-Group (2018) Paper 20 – Latest RA Data for the 2019-20 Settlement

Annex B

Table B1: Change in RA data, by sector, all Wales: 2017-18 to 2018-19

Service Sector	2017-18	2018-19	Difference	
			£000s	%
Schools	2,221,784	2,257,624	35,840	1.6%
Other Education	37,304	36,401	-902	-2.4%
Social Services	1,511,497	1,627,570	116,073	7.7%
Transport	191,322	187,394	-3,928	-2.1%
Fire	136,113	139,225	3,112	2.3%
Other Services	907,304	965,604	58,300	6.4%
Capital	344,933	331,851	-13,082	-3.8%
CTRS	258,011	261,712	3,701	1.4%
Total Budget Requirement	5,608,268	5,807,380	199,112	3.6%

Table B2: Change in relative share of RA data, by sector, all Wales: 2017-18 to 2018-19

Service Sector	2017-18	2018-19	Difference	
			P.P.	%
Schools	39.6%	38.9%	-0.7%	-1.9%
Other Education	0.7%	0.6%	0.0%	-5.8%
Social Services	27.0%	28.0%	1.1%	4.0%
Transport	3.4%	3.2%	-0.2%	-5.4%
Fire	2.4%	2.4%	0.0%	-1.2%
Other Services	16.2%	16.6%	0.4%	2.8%
Capital	6.2%	5.7%	-0.4%	-7.1%
CTRS	4.6%	4.5%	-0.1%	-2.0%
Total Budget Requirement	100.0%	100.0%	0.0%	-16.6%

Distribution Sub-Group (2018) Paper 20 – Latest RA Data for the 2019-20 Settlement

Annex C

Table C: Isolated change in 2018-19 total SSA, when updating the RA data from 2017-18 to 2018-19

Unitary Authority	2018-19 total SSA using					
	2017-18 RA		2018-19 RA		Difference	
	£000s	Shares	£000s	Shares	£000s	% increase
Isle of Anglesey	131,702	2.3%	131,611	2.3%	-91	-0.1%
Gwynedd	234,690	4.1%	234,476	4.1%	-214	-0.1%
Conwy	213,023	3.8%	213,202	3.8%	180	0.1%
Denbighshire	189,980	3.4%	189,890	3.4%	-90	0.0%
Flintshire	264,333	4.7%	263,967	4.7%	-366	-0.1%
Wrexham	238,042	4.2%	238,095	4.2%	53	0.0%
Powys	246,913	4.4%	246,614	4.4%	-299	-0.1%
Ceredigion	138,275	2.4%	138,207	2.4%	-67	0.0%
Pembrokeshire	226,403	4.0%	226,281	4.0%	-122	-0.1%
Carmarthenshire	346,059	6.1%	345,874	6.1%	-185	-0.1%
Swansea	426,535	7.5%	426,962	7.5%	426	0.1%
Neath Port Talbot	269,365	4.8%	269,569	4.8%	203	0.1%
Bridgend	255,260	4.5%	255,179	4.5%	-81	0.0%
Vale of Glamorgan	222,840	3.9%	222,512	3.9%	-328	-0.1%
Rhondda Cynon Taf	455,015	8.0%	455,080	8.0%	65	0.0%
Merthyr Tydfil	112,371	2.0%	112,527	2.0%	156	0.1%
Caerphilly	339,574	6.0%	339,478	6.0%	-96	0.0%
Blaenau Gwent	134,628	2.4%	134,878	2.4%	250	0.2%
Torfaen	171,021	3.0%	171,094	3.0%	73	0.0%
Monmouthshire	147,471	2.6%	147,382	2.6%	-88	-0.1%
Newport	281,984	5.0%	282,056	5.0%	72	0.0%
Cardiff	611,412	10.8%	611,963	10.8%	551	0.1%
Wales	5,656,896,655	100.0%	5,656,896,655	100.0%	0	0.0%