

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 2020-21 Settlement

Summary

1. This paper looks at the impact on the 2020-21 Settlement of the change in Revenue Account (RA) data between 2018-19 and 2019-20.
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 2019-20 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 (2018) Paper 20 – Latest RA Data for the 2019-20 Settlement

[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 (2019) Paper 14 – Latest RA Data for the 2020-21 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 2019-20 Settlement, the 2018-19 RA forms were used. This paper updates the RA expenditure from 2018-19 to 2019-20 for the 2020-21 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 2020-21 Settlement, it is the intention that the latest expenditure data taken from the 2018-19 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 2019-20 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 A. 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.
9. The tables in Annex B show the change in RA data from 2018-19 to 2019-20 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. Annex B, Table B1 shows that overall budgeted expenditure increased by 1.9 per cent. Other Education shows the highest decrease of 5.1 per cent followed by Other Services and Transport which show decreases of 1.2 per cent and 0.9 per cent respectively. The Social Services sector shows the largest increase of 3.2 per cent in budgeted expenditure.
11. Annex B, Table B2 shows the change in relative shares of the 8 RA sectors between 2018-19, and 2019-20, using the figures from Table B1.

Financial implications

12. Annex C, Table C shows the changes in the 2019-20 Total SSA when updating the RA data. This is to show the isolated effect the latest RA data has using the 2019-20 Settlement allocations. Rhondda Cynon Taf and Newport have the largest monetary increases in SSA of £0.290m and £0.195m respectively. Torfaen had the largest percentage increase (up 0.1 per cent or £0.157m). The largest monetary decreases in SSA are for Gwynedd (down £0.290m) and Powys (down £0.275m).

Conclusion

13. For the 2020-21 Settlement calculations, it is the intention to use the latest (2018-19) RO data and (2019-20) 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 and Workforce Partnerships Division
Welsh Government**

Annex A

Table A: Key Changes to the 2019-20 Revenue Account Form from 2018-19

RA – lines amended		Service
102.11	Police Services	Police
106.11	Fire and Rescue Services	Fire
RAG – lines amended		Service
131	Regional Consortia School Improvement Grant	Edu
132	Local Authority Education Grant	Edu
740	Enabling Natural Resources and Well Being Grant (ENRaW)	Other
RA – lines removed		
102.1	Local policing	
102.15	Services to Victims and Witnesses of Crime	
102.2	Dealing with the public	
102.3	Criminal justice arrangements	
102.4	Road policing	
102.5	Operational Support	
102.6	Intelligence	
102.7	Investigation	
102.8	Investigative support	
102.9	National policing	
103	Community safety	
104	Fire-fighting and rescue operations	
106	Fire service emergency planning	
RAG – lines removed		
106	Families first: spent on education	
123	Promoting Positive Engagement for Young People (education)	
125	Pioneer Schools	
128	Modern Foreign Languages	
166	Communities First (education)	
167	Education Improvement Grant	
304	Families First: spent on social services	
310	Promoting Positive Engagement for Young People (social services)	
328	Flying start (social services)	
330	Communities First (social services)	
335	Out of School Childcare	
702	Families First (other local services)	
735	Single Revenue Grant	

Annex B

Table B1: Change in RA data, by sector, all Wales: 2018-19 to 2019-20

Service Sector	2018-19	2019-20	Difference	
			£000s	%
Schools	2,257,624	2,324,935	67,311	3.0%
Other Education	36,401	34,538	-1,864	-5.1%
Social Services	1,627,570	1,679,673	52,103	3.2%
Transport	187,394	185,634	-1,760	-0.9%
Fire	139,225	141,931	2,706	1.9%
Other Services	965,604	953,641	-11,963	-1.2%
Capital	331,851	329,306	-2,545	-0.8%
CTRS	261,712	269,888	8,177	3.1%
Total Budget Requirement	5,807,380	5,919,546	112,166	1.9%

Table B2: Change in relative share of RA data, by sector, all Wales: 2018-19 to 2019-20

Service Sector	2018-19	2019-20	Difference	
			P.P.	%
Schools	38.9%	39.3%	0.4%	1.0%
Other Education	0.6%	0.6%	0.0%	-6.9%
Social Services	28.0%	28.4%	0.3%	1.2%
Transport	3.2%	3.1%	-0.1%	-2.8%
Fire	2.4%	2.4%	0.0%	0.0%
Other Services	16.6%	16.1%	-0.5%	-3.1%
Capital	5.7%	5.6%	-0.2%	-2.6%
CTRS	4.5%	4.6%	0.1%	1.2%
Total Budget Requirement	100.0%	100.0%	0.0%	0.0%

Distribution Sub-Group (2019) Paper 14 – Latest RA Data for the 2020-21 Settlement

Annex C

Table C: Isolated change in 2018-19 total SSA, when updating the RA data from 2018-19 to 2019-20

Unitary Authority	2019-20 total SSA using					
	2018-19 RA		2019-20 RA		Difference	
	£000s	Shares	£000s	Shares	£000s	% increase
Isle of Anglesey	134,023	2.3%	133,940	2.3%	-82	-0.1%
Gwynedd	239,019	4.1%	238,729	4.1%	-290	-0.1%
Conwy	216,481	3.7%	216,363	3.7%	-118	-0.1%
Denbighshire	193,782	3.4%	193,821	3.4%	40	0.0%
Flintshire	269,127	4.7%	269,089	4.7%	-38	0.0%
Wrexham	242,951	4.2%	242,983	4.2%	32	0.0%
Powys	250,776	4.3%	250,501	4.3%	-275	-0.1%
Ceredigion	141,469	2.4%	141,301	2.4%	-168	-0.1%
Pembrokeshire	231,734	4.0%	231,591	4.0%	-143	-0.1%
Carmarthenshire	353,034	6.1%	352,999	6.1%	-35	0.0%
Swansea	436,813	7.6%	436,814	7.6%	1	0.0%
Neath Port Talbot	275,663	4.8%	275,826	4.8%	163	0.1%
Bridgend	260,148	4.5%	260,212	4.5%	64	0.0%
Vale of Glamorgan	228,101	3.9%	228,166	3.9%	65	0.0%
Rhondda Cynon Taf	465,653	8.1%	465,943	8.1%	290	0.1%
Merthyr Tydfil	114,980	2.0%	115,080	2.0%	100	0.1%
Caerphilly	345,584	6.0%	345,752	6.0%	167	0.0%
Blaenau Gwent	137,453	2.4%	137,463	2.4%	11	0.0%
Torfaen	175,078	3.0%	175,235	3.0%	157	0.1%
Monmouthshire	150,530	2.6%	150,409	2.6%	-121	-0.1%
Newport	288,940	5.0%	289,136	5.0%	195	0.1%
Cardiff	628,820	10.9%	628,805	10.9%	-15	0.0%
Wales	5,780,158	100.0%	5,780,158	100.0%	0	0.0%