

## ***Distribution Sub-Group (2016) Minutes – 19 May 2016***

### **DISTRIBUTION SUB GROUP (DSG)**

#### **Minutes of meeting held on 19 May 2016 at Welsh Government, Cardiff**

##### **Welsh Government (WG)**

Rob Hay (Chair)  
Simon Edwards  
Kim Swain  
Debra Carter

Mike Williams (for agenda item 4 only)  
Nathan Huish (for agenda item 4 only)  
Jasper Roberts (for agenda item 7 only)  
Russell Owens (for agenda item 7 only)

##### **Welsh Local Government Association (WLGA)**

Dilwyn Williams (Gwynedd)  
Chris Barton (Independent)  
Chris Lee (RCT)  
Jon Rae (WLGA)

Joy Robson (Monmouthshire)  
Hugh Coombs (Independent)  
Hywel Jenkins (Neath Port Talbot)  
Ian Allwood (Cardiff)

##### **Apologies**

Joanna Leek (WG)  
Judith Cole (WG)  
David Powell (Powys)  
David McAuliffe (Blaenau Gwent)

Richard Weigh (Denbighshire)  
Andrew Stephens (Data Unit Wales)  
Rhys Andrews (Independent)

##### **Welcome and Introductions**

1. The Chair recorded apologies.

##### **Minutes and matters arising from the previous meeting**

2. There were no comments of accuracy on the minutes from the previous meeting.
3. Paragraph 8: Welsh Government officials liaised with Lisa Heywood from the WLGA and a paper was tabled at item 5 on welfare reform.
4. Paragraph 10: The future plans for the Education Improvement Grant would be picked up when the relevant Welsh Ministers were appointed.
5. Paragraph 27: Rob Hay circulated a note of the Education Distribution Formula Sub Group meeting to its members.
6. Paragraph 28: Welsh Government officials held talks with education colleagues and this would be picked up under item 6 on the agenda.
7. Paragraph 32: Rob Hay circulated a note of the Waste Funding Sub Group meeting to its members.
8. Paragraph 33: Welsh Government officials held talks with waste colleagues and this would be picked up under item 7 on the agenda.
9. Paragraph 43: The group discussed the complexity of Additional Learning Needs (ALN) and the need to analyse the potential trends or patterns to inform the distributional methodology.

## ***Distribution Sub-Group (2016) Minutes – 19 May 2016***

10. The group reiterated concerns that this is a demand-led grant and therefore there could be year on year volatility in the cost and the number of cases for each local authority.
11. Concerns were also raised about the financial implications of the possibility of an extension to the age range covered by the Bill, from those up to 19 years extending to those up to 25 years of age.
12. **Action: Local Government Finance colleagues to follow up with policy colleagues to share previous years' data including the existing funding distribution.**
13. Paragraph 47: A paper on the transfer in of funding for social care for those in the secure estate would be discussed under item 3.

### **DSG (2016) Paper 09 – Transfer in of Social Care for Prisoners**

14. Welsh Government officials presented a paper outlining the distributional options for transferring the Social Care for Prisoners funding into the Settlement.
15. Members were asked to consider whether the partial transfer in of this grant was suitable for 2017-18 or whether the full amount should be transferred in the future once the service is more fully established.
16. The Group made it clear they felt that this funding should not be transferred into the Settlement until all the funding has been made available.
17. **Decision: Defer any transfer of funding for social care for prisoners in the secure estate until the full financial implications of these arrangements are established and all funding can be transferred at one time.**
18. The DSG was asked to discuss a preference regarding the basis of distribution on transfer of this funding into the Settlement.
19. In the discussions, it was asked whether prisoners were included in the population projections data used in the Settlement calculations and what was the basis of the underlying distribution of the current specific grant.
20. The group was inclined to go with Option C (to transfer in on a phased approach over 2 years) but felt it was important to understand more fully what drives the need to spend in this area before making a decision on the basis of transfer.
21. **Action: Welsh Government Officials to investigate further and to bring a paper back to a future meeting.**

### **DSG (2016) Paper 10 – Teacher's registration subsidy transfer out**

22. Welsh Government policy officials presented a paper outlining proposed changes to the School Teachers Pay and Conditions Document (STPCD) and the possible option of transferring a sum of £1,000,000 out of the Settlement in 2017-18.
23. The DSG raised concerns around the fact that, although the requirement to pay this subsidy to teachers may be removed from the STPCD, some Authorities have built this requirement into individual teachers' working conditions documents, and

## ***Distribution Sub-Group (2016) Minutes – 19 May 2016***

individual authorities would need to undertake a consultation process to amend these. There was also a question around the £33 paid per teacher through teachers' pay being pensionable and whether the implications of that had been considered.

24. Welsh Government policy officials confirmed that Unions had responded to the previous consultation.
25. Following further discussions the group agreed to wait until a new Minister was appointed and for Welsh Government policy officials and WLGA officials to have further discussions on this matter.
26. **Action: Welsh Government policy officials to liaise with colleagues at WLGA regarding the points raised in the discussion and to report back to the Group.**

### **DSG (2016) Paper 11 – Welfare Reform Update**

27. Welsh Government officials presented a paper outlining the latest figures on Universal Credit (UC) and Personal Independence Payment (PIP), and the impact on future Settlements.
28. The Group agreed, in principle, that the PIP data should be added to the existing dataset (ie. SDA and DLA) for the 2017-18 Settlement onwards. However, the group asked, once all the data for the 2017-18 Settlement was available, for a further paper to be brought to measure the actual impact on the 2017-18 Settlement.
29. The Group discussed the complexity of Universal Credit and indicated it was too early to make a decision for the 2017-18 Settlement. The Group asked for a similar analysis to that carried out for PIP for UC, comparing the share percentages and the impact to the existing 2016-17 SSA when in-and out-of-work benefits are added to the current datasets.
30. DWP has stated it has been transferring existing DLA claimants on a controlled postcode basis to claim PIP. Hywel Jenkins asked if there was a timetable of the 'controlled postcode', ie. the date each postcode area / local authority have been/will be transferred.
31. **Action: Kim Swain to provide a follow up paper(s) once all the data for 2017-18 is available, to measure the impact against the actuals, for both Universal Credit and Personal Independence Payment.**
32. **Action: Welsh Government officials to find out if there is a timetable to show when each postcode area / local authority in Wales is being transferred to claim PIP.**

### **DSG (2016) Paper 13 – Waste Funding Group update**

33. Rob welcomed Jasper Roberts and Russell Owens from Waste Division. Welsh Government officials presented a paper with a proposed approach to the waste formula modelling using the 'collection blueprint' data.

## ***Distribution Sub-Group (2016) Minutes – 19 May 2016***

34. The Group was broadly supportive of the proposals set out in the paper and using the policy blueprint as a basis for developing the mechanism for distribution. It was agreed the Waste Funding Group should reconvene and to (a) draw on data in line with the 'blueprint' and set a timeline for the work; and (b) invite Russell Owens, along with someone appropriate from Local Government, to join the Waste Funding Sub Group for future discussions.
35. **Decision: The DSG agreed to Russell Owens joining the Waste Funding Sub Group.**
36. **Action: WLGA to consider an appropriate policy specialist from Local Government to join the Waste Sub Group.**
37. **Action: Welsh Government officials to arrange a further meeting of the Waste Funding Sub Group.**

### **DSG (2016) Paper 12 – Education Distribution Formula Group Update**

38. Welsh Government officials presented a paper outlining a proposal recently consulted on by the UK Government Department for Education (DfE) to introduce a national funding formula for schools.
39. Members highlighted the differences in the political landscape and agenda between England and Wales and for this to be taken into consideration. The Group asked for further information on the education policy agenda in Wales and agreed to invite Education policy colleagues to the Education Distribution Formula Sub Group.
40. As with the Waste Sub Group item, the DSG discussed the prospect of creating a timetable, with a view to setting a deadline for constructing a proposed formula.
41. **Action: Welsh Government officials to invite Education policy colleagues to the Education Distribution Formula Sub Group.**
42. **Action: Welsh Government officials to arrange a separate meeting with the Education Distribution Formula Sub Group, with a view to setting out a realistic timetable.**

### **Any Other Business**

43. None.

## ***Distribution Sub-Group (2016) Minutes – 19 May 2016***

### **Dates and venues of next meetings**

44. The dates for forthcoming meetings in 2016 are as follows:

- Wednesday 20 July 2016 – Welsh Government, Cardiff
- Tuesday 13 September 2016 – Welsh Government, Cardiff
- Wednesday 16 November 2016 – Welsh Government, Cardiff

### **Welsh Government**