

## **Quick summary of Fair Funding Review Technical Working Group meeting (full minutes to follow)**

**16 January 2018**

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The meeting of the technical working group focussed on the best available statistical techniques that could be used to weight those cost drivers included in a relative needs formula against one another, in order to reflect their relative importance in determining local authorities' 'need to spend'.

- Firstly, the members noted a paper by the Ministry of Housing, Communities and Local Government (MHCLG) which described the principles behind various statistical techniques that could be applied when developing relative needs formulae, such as expenditure-based regression, outcomes-based regression, multi-level modelling and others.
- The members discussed and agreed in principle a proposal from the analysis unit of the Society of County Treasurers that an alternative way to identify cost drivers and derive weightings would be through consultation of focus groups and panels which could include finance professionals as well as service directors. The group noted while this approach is subject to its own advantages and disadvantages, it may be helpful in sense-testing the results of the statistical analysis.
- Finally, the group discussed the current leading options for needs assessment for the specific service areas outlined in the Government's consultation on relative needs. The group considered more sophisticated analytical techniques such as multi-level modelling, which may be appropriate for social care services. The group also reiterated support for ways to sense-test the conclusions of the statistical analysis.