

## ***Distribution Sub-Group (2020) Paper 07 – Working age population measure***

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### **Working age population measure**

1. This paper looks at the working age population indicator within the local government settlement formula, to assess if the age ranges used should be updated to reflect the current statutory position.

### **Views sought**

2. The group are asked to agree that the working age population measure is changed to reflect the current pension age range.

### **Previous papers**

*DSG 2007 – Paper 35 - Economic Development*

### **Background**

3. The Economic development indicator based assessment (IBA) currently uses an Index weighted population data item to distribute the funding in the local government settlement.
4. This data item is derived from an index of the median average earnings (Annual Survey of hours and earnings) and jobs data (workplace employment statistics) from 2004 and Working age Population (16-64 for males and 16-59 for females).
5. In 2017 the state pension age was reviewed with, both men and women's state pension age planned to reach 66 by 2020.
6. This brings us to consider whether the current working age population data item should be updated to reflect ages 16 to 65 for both male and females.

### **Analysis**

7. As the population data source for the 2021-22 settlement is still to be agreed, in this analysis section we will use the 2018 mid-year estimates to compare the difference in the age breakdowns.
8. The rationale for using this, is that the next set of population projections will be based on the 2018 mid-year estimates and therefore the age breakdown should be fairly consistent in the interim years.

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9. The difference in the relative share in using the 16-65 age breakdown compared to the current method ranges from a 0.20 percentage point decrease in Cardiff to a 0.09 percentage point increase in Powys and Carmarthenshire.

**Table 1: Index-weighted working age population by age group**

	Age 16-64 Male and 16-59 Females (1)	Age 16-65 Male and Female (2)	Percentage share (1)	Percentage share (2)	Change in percentage points (2) - (1)
Isle of Anglesey	28,870	31,499	2.2%	2.2%	0.03%
Gwynedd	43,101	46,315	3.3%	3.3%	0.00%
Conwy	45,137	49,355	3.4%	3.5%	0.06%
Denbighshire	34,814	37,796	2.7%	2.7%	0.03%
Flintshire	67,309	72,262	5.1%	5.1%	-0.01%
Wrexham	54,945	58,917	4.2%	4.2%	-0.01%
Powys	46,736	51,455	3.6%	3.7%	0.09%
Ceredigion	30,477	33,084	2.3%	2.3%	0.02%
Pembrokeshire	50,677	55,381	3.9%	3.9%	0.07%
Carmarthenshire	88,599	96,443	6.8%	6.8%	0.09%
Swansea	92,541	98,829	7.1%	7.0%	-0.04%
Neath Port Talbot	72,352	77,909	5.5%	5.5%	0.01%
Bridgend	57,843	62,007	4.4%	4.4%	-0.01%
The Vale of Glamorgan	64,421	69,584	4.9%	4.9%	0.02%
Rhondda Cynon Taf	128,031	136,701	9.8%	9.7%	-0.06%
Merthyr Tydfil	31,346	33,494	2.4%	2.4%	-0.01%
Caerphilly	103,222	110,558	7.9%	7.8%	-0.03%
Blaenau Gwent	40,422	43,183	3.1%	3.1%	-0.02%
Torfaen	40,614	43,578	3.1%	3.1%	-0.01%
Monmouthshire	29,340	31,919	2.2%	2.3%	0.03%
Newport	50,539	53,609	3.9%	3.8%	-0.05%
Cardiff	109,321	114,738	8.3%	8.1%	-0.20%
Wales	1,310,659	1,408,615	100.0%	100.0%	0.00%

10. In the 2020-21 provisional settlement the total Wales SSA for the *Economic development IBA* was £23,020,817. If we multiply this out by the change in the percentage share, we see that Cardiff would see a decrease of around £45k and Powys and Carmarthenshire would gain circa £20k.

11. Given the population source data is yet to be confirmed for 2021-22, the data and financial changes shown in this document are likely to be subject to change.

### Recommendation

12. Given the population element of the indicator no longer reflects working age, DSG are asked to accept this change, with further exemplifications provided if the group requires.

### Conclusion

13. DSG are asked to consider the change to the current data source to ensure that the indicator of need remains up-to date.