

Distribution Sub-Group (2022) Paper 10 – Treatment of tourism in the 2023-24 settlement

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.

Treatment of tourism influenced by COVID-19 in the 2023-24 settlement

Summary

1. This paper looks at tourism data used in the calculation of the local government settlement where the distribution could have been impacted as a result of the COVID-19 pandemic.

Views Sought

2. Views are welcomed on the tourism data and the distributional impact of updating the dataset which are likely to have been influenced by the pandemic

Recent Related Papers

DSG (2021) Paper 18 – Treatment of datasets in the 2022-23 settlement

DSG (2020) Paper 21: Dataset collections impacted by Covid-19 update

DSG (2020) Paper 17: Impact of COVID-19 on settlement datasets

Background

3. The local government settlement formula uses a number of datasets which will have been influenced by the COVID-19 pandemic. This paper looks at the tourism data and allows DSG to consider the treatment of this dataset for the 2023-24 Settlement.

Analysis

Tourism data used in the enhanced population indicator

4. The 2021 *tourism data* continues to *include AirBnb* stays (as agreed in the DSG (2021) paper 3). DSG decided to freeze the 2019 tourism data for the 2022-23 settlement and not use the 2020 tourism data. Tourism data is used within the *enhanced population indicator* to proxy the additional population of visitors to each local area.
5. Table 1 provides an exemplification to the 2022-23 Settlement of the 2021 tourism data. The most significant change can be seen for Cardiff showing a decrease of more than £1m. Table 2 compares the 2021 tourism data against the current 2019 tourism data frozen and used for the 2022-23 settlement and Table 3 shows the impact on the Enhanced population of updating the tourism data.

Conclusion

6. DSG are asked to consider this dataset, noting that the data is used to proxy the average number of visitors in each area on any given day and whether the data should be updated with the 2021 tourism data or remain frozen with the 2019 data. DSG should

Distribution Sub-Group (2022) Paper 10 – Treatment of tourism in the 2023-24 settlement

also consider from their local knowledge whether this data will revert back to the historic pattern.

Table 1: Exemplification of the 2021 Tourism data on the 2022-23 settlement

	2022-23 AEF	Tourism 2021 Exemplification	Difference (£000s) %	
Isle of Anglesey	114,551	114,626	75	0.1%
Gwynedd	213,214	212,809	-406	-0.2%
Conwy	183,311	182,992	-319	-0.2%
Denbighshire	173,640	173,406	-234	-0.1%
Flintshire	232,179	232,300	121	0.1%
Wrexham	207,064	207,320	256	0.1%
Powys	210,261	210,192	-69	0.0%
Ceredigion	119,421	119,200	-221	-0.2%
Pembrokeshire	196,257	196,246	-12	0.0%
Carmarthenshire	311,603	311,842	239	0.1%
Swansea	386,592	386,724	132	0.0%
Neath Port Talbot	258,073	258,382	310	0.1%
Bridgend	232,368	232,383	15	0.0%
The Vale Of Glamorgan	186,015	186,140	125	0.1%
Rhondda Cynon Taf	441,441	441,887	446	0.1%
Merthyr Tydfil	110,617	110,634	17	0.0%
Caerphilly	317,459	317,718	259	0.1%
Blaenau Gwent	130,797	130,895	98	0.1%
Torfaen	160,120	160,244	124	0.1%
Monmouthshire	112,278	112,405	128	0.1%
Newport	265,617	265,583	-34	0.0%
Cardiff	544,726	543,674	-1,051	-0.2%
Total Unitary Authorities	5,107,603	5,107,603		

Distribution Sub-Group (2022) Paper 10 – Treatment of tourism in the 2023-24 settlement

Table 2: Tourism data (2021) including AirBnb stays

	2021		2019		Percentage Change		Relative Change	
	Tourist nights (thousands)	Tourist days (thousands)	Tourist nights (thousands)	Tourist days (thousands)	Tourist nights (thousands)	Tourist days (thousands)	Tourist nights (thousands)	Tourist days (thousands)
Isle of Anglesey	4,593	688	5,514	707	-16.7%	-2.8%	0.9%	0.5%
Gwynedd	15,520	3,049	20,096	3,836	-22.8%	-20.5%	1.7%	1.4%
Conwy	7,578	6,263	11,135	7,220	-31.9%	-13.2%	-0.4%	3.9%
Denbighshire	5,183	3,297	7,467	4,401	-30.6%	-25.1%	-0.1%	1.2%
Flintshire	2,376	2,395	3,924	2,930	-39.5%	-18.3%	-0.5%	1.2%
Wrexham	721	1,224	1,198	1,544	-39.9%	-20.7%	-0.2%	0.6%
Powys	7,679	1,414	9,103	3,011	-15.6%	-53.0%	1.6%	-1.1%
Ceredigion	4,919	1,072	7,197	1,576	-31.7%	-32.0%	-0.2%	0.2%
Pembrokeshire	11,681	2,168	14,583	2,052	-19.9%	5.7%	1.8%	2.0%
Carmarthenshire	3,493	1,609	4,708	2,315	-25.8%	-30.5%	0.2%	0.4%
Swansea	3,745	1,256	5,424	3,125	-31.0%	-59.8%	-0.1%	-1.6%
Neath Port Talbot	455	1,029	922	1,146	-50.6%	-10.2%	-0.3%	0.7%
Bridgend	1,461	1,765	2,664	3,061	-45.2%	-42.3%	-0.6%	-0.3%
The Vale of Glamorgan	1,182	3,047	2,240	3,669	-47.2%	-17.0%	-0.5%	1.7%
Rhondda,Cynon,Taff	513	961	1,283	1,575	-60.0%	-39.0%	-0.5%	-0.1%
Merthyr Tydfil	327	446	552	1,160	-40.8%	-61.5%	-0.1%	-0.6%
Caerphilly	329	542	933	1,421	-64.8%	-61.9%	-0.4%	-0.8%
Blaenau Gwent	175	241	418	574	-58.3%	-58.0%	-0.2%	-0.3%
Torfaen	190	339	495	864	-61.5%	-60.8%	-0.2%	-0.5%
Monmouthshire	1,184	1,168	1,540	1,725	-23.1%	-32.3%	0.1%	0.2%
Newport	882	1,753	1,698	3,880	-48.1%	-54.8%	-0.4%	-1.5%
Cardiff	2,270	8,884	4,805	19,296	-52.7%	-54.0%	-1.5%	-7.2%

Distribution Sub-Group (2022) Paper 10 – Treatment of tourism in the 2023-24 settlement

Table 3: Enhanced Population

	2021 Tourism & Population Projections 2022	2019 Tourism & Population Projections 2022	Percentage Change	Relative Change
	Enhanced Population	Enhanced Population	Enhanced Population	Enhanced Population
Isle of Angles	84,322	86,898	-3.0%	0.0%
Gwynedd	176,058	190,742	-7.7%	-0.2%
Conwy	156,214	168,573	-7.3%	-0.1%
Denbighshire	119,237	128,513	-7.2%	-0.1%
Flintshire	170,325	176,029	-3.2%	0.1%
Wrexham	141,860	144,043	-1.5%	0.1%
Powys	157,434	165,703	-5.0%	0.0%
Ceredigion	87,553	95,171	-8.0%	-0.1%
Pembrokeshire	164,219	171,845	-4.4%	0.0%
Carmarthenshire	203,495	208,753	-2.5%	0.1%
Swansea	262,964	272,681	-3.6%	0.1%
Neath Port Talbot	148,511	150,107	-1.1%	0.1%
Bridgend	156,725	163,567	-4.2%	0.0%
The Vale of Glamorgan	147,194	151,794	-3.0%	0.1%
Rhondda, Cynon and Taff	246,820	250,609	-1.5%	0.2%
Merthyr Tydfil	63,037	65,607	-3.9%	0.0%
Caerphilly	184,444	188,506	-2.2%	0.1%
Blaenau Gwent	70,687	72,265	-2.2%	0.0%
Torfaen	95,560	97,834	-2.3%	0.1%
Monmouthshire	101,928	104,428	-2.4%	0.1%
Newport	165,369	173,426	-4.6%	0.0%
Cardiff	398,629	434,075	-8.2%	-0.5%