

***Distribution Sub-Group (2021) Paper 03 – Improving the Tourism data
(through including Airbnb data)***

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.

Improving the Tourism data (through including Airbnb data)

Summary

1. This paper looks at the impact of updating the tourism dataset used within the local government settlement to include Airbnb data (currently, Airbnb figures are excluded within the tourism dataset).
2. The data provider now has the ability of incorporating Airbnb figures into the tourism dataset from 2017 to 2019, with the 2020 data to be collected later this year.
3. This paper looks at the distributional implications of integrating Airbnb figures into the tourism data for the Final 2021-22 Settlement, and considering the retrospective implications on historical settlement years.

Views sought

4. DSG are asked to consider whether or not to update the tourism dataset to include the Airbnb figures, for use in the 2021-22 Final Settlement.
5. DSG are asked to consider whether to include the Airbnb figures in the tourism dataset, for future settlements (2022-23 onwards).

Related papers

Distribution Sub-Group (2020) Paper 21 – Datasets impacted by COVID-19 update

Distribution Sub-Group (2020) Paper 17 – Impact of COVID-19 on settlement datasets

Background

6. Historically the tourism dataset has not included Airbnb figures, but from the 2021-22 settlement this is now possible.
7. The settlement year is always 2 years behind the data used, for example:
2019-20 settlement = 2017 tourism data;
2020-21 settlement = 2018 tourism data;
2021-22 provisional settlement = 2019 tourism data.
8. For the 2021-22 provisional settlement the number of 2019 Airbnb stays were excluded for consistency with historic settlements. We have now received the data backdated to include Airbnb within the tourism figures.

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9. Whilst this paper looks at the impact of updating the tourism figures to include Airbnb data, the future use of this dataset will also be influenced by the Covid-19 pandemic. The distributional impact of using the 2020 tourism dataset will be considered once the 2020 tourism dataset becomes available later in the year.
10. The tourism dataset is broken down into tourists nights and tourist days. This data is combined with total population to create the *Enhanced Population indicator*. (Note: the inclusion of Airbnb data would only effects the night tourists' element of the calculation).
11. This analysis will consider the impact of excluding and including the Airbnb data on the *Enhanced Population indicator*.

Analysis

12. Table 1 shows the difference between the *Enhanced Population indicator* as used in the provisional settlement (excluding the Airbnb data) and by including the Airbnb data.
13. By including the Airbnb data, Gwynedd see the largest percentage increase in the *Enhanced Population indicator* (2.3%), and Caerphilly see the smallest increase (0.02%). This equates to a relative increase of 0.09 percentage points in Gwynedd to a 0.03 percentage points decrease in Caerphilly (i.e. Gwynedd would have a large share of this indicator and Caerphilly would have a lower share of this indicator if this was implemented).
14. Table 2 shows the financial impact of updating the enhanced population indicator to include Airbnb tourists for 2019-20, 2020-21 and 2021-22 settlements.
15. The impact of updating the enhanced population indicator to include Airbnb tourists for the 2021-22 settlement, would result in 16 local authorities seeing a decrease in AEF. Rhondda Cynon Taf would see the largest decrease of £70k, which relates to a 0.02% decrease. Gwynedd would see the highest increase of £178k which relates to an increase of 0.09%.
16. A similar pattern is seen in previous year, with this change favouring more rural authorities.

Recommendation

17. We recommend that this change not be implemented between the 2021-22 provisional and final settlements due to the timing of the budget.
18. We would recommend DSG agree in principle to include the Airbnb data within the *Enhanced Population indicator* from the 2022-23 settlement.

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Conclusion

19. DSG are asked to consider the inclusion of the Airbnb data in principle, given the impact the ongoing pandemic will have future data updates, and recommend whether or not to update the tourism data set to include Airbnb figures for use in the 2021-22 Final Settlement and future settlements.

**Local Government Finance Policy and Sustainability Division
Welsh Government**

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Table 1: Impact on incorporating 2019 Airbnb data into the enhanced population dataset

	Provisional 2021-22	with Airbnb data	% Change	% Share change
Isle of Anglesey	85,289	86,913	1.9%	0.03%
Gwynedd	186,194	190,458	2.3%	0.09%
Conwy	166,866	168,254	0.8%	0.01%
Denbighshire	127,767	128,328	0.4%	0.00%
Flintshire	175,540	175,627	0.0%	-0.02%
Wrexham	143,959	144,150	0.1%	-0.02%
Powys	162,639	165,640	1.8%	0.06%
Ceredigion	93,867	95,511	1.8%	0.03%
Pembrokeshire	168,700	171,533	1.7%	0.05%
Carmarthenshire	206,695	207,763	0.5%	0.00%
Swansea	271,507	271,992	0.2%	-0.03%
Neath Port Talbot	149,489	149,663	0.1%	-0.02%
Bridgend	162,696	162,840	0.1%	-0.02%
The Vale of Glamorgan	150,661	150,926	0.2%	-0.02%
Rhondda,Cynon,Taff	249,832	249,983	0.1%	-0.03%
Merthyr Tydfil	65,655	65,815	0.2%	-0.01%
Caerphilly	188,259	188,292	0.0%	-0.03%
Blaenau Gwent	72,167	72,245	0.1%	-0.01%
Torfaen	97,584	97,640	0.1%	-0.01%
Monmouthshire	103,519	104,073	0.5%	0.00%
Newport	172,108	172,244	0.1%	-0.02%
Cardiff	431,497	433,175	0.4%	-0.02%
Wales	3,632,490	3,653,065	0.6%	

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Table 2: Financial impact of updating the tourism dataset to include Airbnb figures

Authority	2019-20 Final settlement				2020-21 Final settlement				2021-22 Provisional settlement			
	AEF using 2017 tourism data	AEF using updated 2017 tourism data	Difference		AEF using 2018 tourism data	AEF using updated 2018 tourism data	Difference		AEF using 2019 tourism data	AEF using updated 2019 tourism data	Difference	
			£000s	%			£000s	%			£000s	%
Isle of Anglesey	95,522	95,533	11	0.01%	101,005	101,035	30	0.03%	104,825	104,888	63	0.06%
Gwynedd	176,552	176,585	33	0.02%	187,579	187,669	90	0.05%	194,793	194,971	178	0.09%
Conwy	153,501	153,416	-85	-0.06%	161,398	161,417	19	0.01%	166,906	166,931	25	0.01%
Denbighshire	143,637	143,634	-3	0.00%	151,932	151,923	-9	-0.01%	158,632	158,623	-9	-0.01%
Flintshire	188,444	188,434	-10	-0.01%	199,386	199,356	-31	-0.02%	206,778	206,728	-50	-0.02%
Wrexham	175,252	175,246	-6	0.00%	184,296	184,274	-22	-0.01%	188,856	188,822	-35	-0.02%
Powys	173,077	173,109	32	0.02%	184,289	184,364	75	0.04%	191,897	192,012	115	0.06%
Ceredigion	102,091	102,107	15	0.02%	107,646	107,684	37	0.03%	109,658	109,720	62	0.06%
Pembrokeshire	162,448	162,488	40	0.02%	172,204	172,269	65	0.04%	179,387	179,491	104	0.06%
Carmarthenshire	260,388	260,394	5	0.00%	274,159	274,166	7	0.00%	284,820	284,815	-6	0.00%
Swansea	322,211	322,201	-10	0.00%	339,381	339,342	-39	-0.01%	352,642	352,583	-58	-0.02%
Neath Port Talbot	214,796	214,789	-6	0.00%	226,762	226,740	-21	-0.01%	236,680	236,643	-37	-0.02%
Bridgend	191,807	191,800	-7	0.00%	203,127	203,102	-26	-0.01%	212,192	212,148	-43	-0.02%
The Vale of Glamorgan	152,070	152,067	-3	0.00%	161,021	161,004	-17	-0.01%	168,316	168,284	-33	-0.02%
Rhondda Cynon Taf	367,339	367,326	-13	0.00%	388,666	388,624	-43	-0.01%	404,375	404,305	-70	-0.02%
Merthyr Tydfil	91,304	91,303	-2	0.00%	96,810	96,803	-7	-0.01%	101,476	101,464	-12	-0.01%
Caerphilly	268,614	268,603	-11	0.00%	283,367	283,332	-35	-0.01%	292,367	292,310	-57	-0.02%
Blaenau Gwent	110,815	110,812	-3	0.00%	116,063	116,052	-11	-0.01%	120,361	120,343	-18	-0.02%
Torfaen	132,650	132,645	-5	0.00%	140,467	140,450	-17	-0.01%	146,340	146,313	-28	-0.02%
Monmouthshire	92,470	92,475	5	0.01%	97,760	97,758	-2	0.00%	101,483	101,481	-2	0.00%
Newport	214,343	214,335	-8	0.00%	228,077	228,049	-28	-0.01%	240,796	240,750	-46	-0.02%
Cardiff	444,629	444,660	31	0.01%	469,047	469,030	-17	0.00%	487,913	487,870	-42	-0.01%
Wales	4,233,961	4,233,961	0		4,474,444	4,474,444	0		4,651,494	4,651,494	0	