

## ***Distribution Sub-Group (2020) Paper 27 – Treatment of the population data in the event of no floor in the 2021-22 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 the population data in the event of no floor in the 2021-22 settlement**

#### **Summary**

1. At the September 2020 meeting, DSG recommended to use the latest population projections subject to a funding floor being put in place. This paper looks to obtain the group's recommended approach in the event that no funding floor is put in place.

#### **Views sought**

2. DSG are asked to consider the appropriate recommendation, if no funding floor is put in place.

#### **Related papers**

3. Distribution Sub-Group (2020) – paper 19 – 2018 Population Projections

#### **Background**

4. At the September DSG meeting, it was decided that the 2018 based subnational population projections would be used, provided a funding floor is put in place to help reduce the impact of financial redistributions.
5. While local government have made it clear that they strongly favour the implementation of a floor, this decision is, ultimately, for the Minister for Housing and Local Government. This paper considers a series of options for DSG to provide their recommendation in the scenario where no funding floor is put in place.

#### **Suggested options**

6. The previous paper focused on two phased approaches directly related to the population data within the formula. These were to use:
  - 50% data used in the 2020-21 settlement; and 50% the latest projection data;
  - 50% mid-year estimates data used in the 2020-21 settlement; and 50% latest projection data.
7. The resulting re-distributions of using either of these phasing options are presented in table 1 below.
8. At the September meeting DSG questioned the historic tendency of phasing at an individual data level. Therefore alternative options are also available.

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**Conclusion**

9. The paper outlines some options for DSG to consider if a funding floor is not implemented for the 2021-22 settlement. DSG are asked to consider the two options presented in this paper:
- 50% data used in the 2020-21 settlement; and 50% the latest projection data;
  - 50% mid-year estimates data used in the 2020-21 settlement; and 50% latest projection data.

**Local Government Finance Policy and Workforce Partnership  
Welsh Government**

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**Table 1: Phasing options to the 2020-21 settlement**

LA Name	Actual (phased) (A)	2018-based 2021 population projections (B)	Phasing option 1 <sup>a</sup> (C)	Phasing option 2 <sup>b</sup> (D)	Change (£000s)			Change (%)		
					(B)-(A)	(C)-(A)	(D)-(A)	(B)/(A)-1	(C)/(A)-1	(D)/(A)-1
Isle of Anglesey	142,316	141,854	142,082	142,004	-462	-234	-312	-0.3%	-0.2%	-0.2%
Gwynedd	254,380	254,043	254,211	254,147	-337	-169	-232	-0.1%	-0.1%	-0.1%
Conwy	229,516	229,649	229,579	229,694	133	63	178	0.1%	0.0%	0.1%
Denbighshire	205,890	205,438	205,667	205,557	-452	-223	-333	-0.2%	-0.1%	-0.2%
Flintshire	286,087	286,419	286,252	286,213	332	165	126	0.1%	0.1%	0.0%
Wrexham	256,883	255,197	256,038	255,459	-1,686	-845	-1,424	-0.7%	-0.3%	-0.6%
Powys	267,839	267,475	267,654	267,729	-364	-186	-111	-0.1%	-0.1%	0.0%
Ceredigion	150,200	148,311	149,253	148,863	-1,889	-947	-1,337	-1.3%	-0.6%	-0.9%
Pembrokeshire	247,581	247,845	247,711	247,846	265	130	265	0.1%	0.1%	0.1%
Carmarthenshire	375,549	375,618	375,583	375,717	69	34	168	0.0%	0.0%	0.0%
Swansea	463,934	464,144	464,037	464,070	210	103	136	0.0%	0.0%	0.0%
Neath Port Talbot	292,996	293,154	293,076	293,210	159	80	214	0.1%	0.0%	0.1%
Bridgend	277,406	278,433	277,920	278,064	1,026	514	658	0.4%	0.2%	0.2%
The Vale of Glamorgan	244,317	245,890	245,108	245,566	1,573	791	1,249	0.6%	0.3%	0.5%
Rhondda Cynon Taf	494,615	495,044	494,831	494,894	429	216	279	0.1%	0.0%	0.1%
Merthyr Tydfil	122,423	122,817	122,621	122,782	394	198	359	0.3%	0.2%	0.3%
Caerphilly	366,320	365,893	366,103	366,007	-427	-217	-313	-0.1%	-0.1%	-0.1%
Blaenau Gwent	145,116	144,849	144,983	144,992	-267	-133	-124	-0.2%	-0.1%	-0.1%
Torfaen	186,317	186,684	186,504	186,587	367	187	270	0.2%	0.1%	0.1%
Monmouthshire	160,273	160,657	160,466	160,646	384	192	373	0.2%	0.1%	0.2%
Newport	309,475	312,179	310,832	311,421	2,704	1,356	1,946	0.9%	0.4%	0.6%
Cardiff	668,213	666,051	667,138	666,180	-2,162	-1,075	-2,033	-0.3%	-0.2%	-0.3%
<b>Wales</b>	<b>6,147,646</b>	<b>6,147,646</b>	<b>6,147,646</b>	<b>6,147,646</b>						