

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

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.

Impact of COVID-19 on settlement datasets

Summary

1. This paper looks at the potential impact of the COVID-19 pandemic on settlement datasets. The focus of this paper is on the impact on the 2021-22 settlement. The impact on future settlements will be considered in future papers, once the implications of the pandemic are better understood.

Views sought

2. Members are asked to consider how to treat the indicators in the 2021-22 settlement, where they are impacted by the COVID-19 pandemic. The decisions required by the group are set out in the *analysis* section of this paper.

Recent related papers

- *DSG (2020) Paper 12: Treatment of datasets within the 2021-22 settlement and beyond*
- *DSG (2019) Paper 21: Homelessness Indicator*
- *DSG (2019) Paper 20: The impact of universal credit on Housing Benefits Recipients data*
- *DSG (2019) Paper 19: Options paper to remove or reduce the impact of universal credit on the eligible for free school meals distribution indicator*
- *DSG (2019) Paper 18: Assessing the impact of universal credit on the Dependent Children in Out of Work Families data*
- *DSG (2019) Paper 16: Assessing the impact of universal credit on the PLASC FSM data*

Background

3. There are a number of datasets used in the settlement for which the collection of data which is due to be used in the 2021-22 settlement will, or could, be impacted by the COVID-19 pandemic.
4. In addition to this, there are a number of datasets where the data itself will, or could be, impacted by the COVID-19 pandemic.

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

5. This paper attempts to set out the issues impacting certain indicators and asks DSG members to agree a way forward, specifically with regards to the 2021-22 settlement. Where the COVID-19 pandemic impacts data to be used in future settlements, this will be considered in subsequent papers.

Analysis

6. Table 1, below, lists the datasets used in the local government settlement and details where the collection of this data and/or the data itself may be impacted by the COVID-19 pandemic for the 2021-22 settlement and beyond.

Table 1: Settlement datasets and the potential impact of COVID-19:

Need indicator	Data period for 2021-22 settlement	Impact for 2021-22 settlement	Impact for future settlements
1 Population	Dependent on DSG decision	None	Nothing expected
2 Coastline	1 April 2020	None	Nothing expected
3 Dwellings	31 March 2020	None	Nothing expected
4 Farms	June 2019	None	Potential reduction
5 Disabled Facilities Grants	2018-19 financial year	None	Potential reduction
6 PWLB Debt	31 March 2020	None	Potential increases
7 Land area	May 2020	Nothing expected	Nothing expected
8 Benefit Claimants	May 2017 to February 2020	Nothing expected	Potential increases
9 Deaths	2019 calendar year	Nothing expected	Potential increases
10 Planning applications	April 2017 to March 2020	Nothing expected	Potential reduction
11 Traffic flow	2019 calendar year	Nothing expected	Potential reduction
12 Ships arriving at ports	2019 calendar year	Nothing expected	Potential reduction
13 Food and trading premises	April 2020	Nothing expected	Potential reduction
14 CT1	2021-22	Nothing expected	Potential impact
15 PLASC pupils	January 2020	Validation not completed	Nothing expected
16 PLASC FSM	January 2020	Validation not completed	Potential increases
17 National park levies	2021-22 financial year	Potential impact	Potential impact
18 Council Tax Reduction Schemes	2019-20 financial year	Potential impact	Potential increases
19 RO	2019-20	Potential impact	Impact
20 Land drainage levies	2020-21 financial year	Potential impact	Potential impact
21 Dep. children in out of work families	Dependent on DSG decision	Potential impact	Potential increases
22 Road length	April 2020	Data collection paused	Nothing expected
23 Homelessness	Dependent on DSG decision	Data publication paused	Potential increases
24 Tourism	2019 calendar year	Data may be late	Potential reduction
25 EOTAS Pupils	January 2020	Data not fully collected	Nothing expected
26 EOTAS FSM	January 2020	Data not fully collected	Potential increases
27 Private sector dwelling stock	31 March 2020	Data not fully collected	Potential impact
28 Street lighting units	1 April 2020	Decision required from DSG	Nothing expected
29 Non-PWLB Debt	31 March 2020	Decision required from DSG	Potential increases
30 RA	2020-21	Large impact on data	Potential impact

7. For datasets 1 to 6, officials cannot see any potential implications arising from the COVID-19 pandemic for the 2021-22 settlement. In fact, some of these datasets are already published/available. A decision is required by the group on which population measure to use in the 2021-22 settlement, but this is set out in a separate paper.

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

8. For datasets 7 to 14, officials do not expect there to be any implications arising from the COVID-19 pandemic for the 2021-22 settlement. Again, some of this data is already published/available. While Local Government Finance Statistics colleagues are currently planning to go ahead with the CT1 data collection as usual, there may be some implications regarding council tax base and council tax collection rates. Officials will monitor this data and bring back to DSG if necessary.
9. Datasets 15, 16, 25 and 26 have been considered in a separate paper at this meeting and, therefore are not considered in any further detail here. The impact on the remaining datasets is likely to be more substantial and, therefore, each dataset has been considered in turn. While some datasets will need further consideration, a decision is required on a number of datasets and these are set out clearly below.
10. Dataset 17: National Park levies. This dataset is linked to the Welsh Government budget and, therefore, there may be implications as a result of COVID. More will be known closer to the settlement publication.
11. Dataset 18: Council Tax Reduction Schemes (CTRS). The data for both income foregone and caseload is available and, while there may be some impact as a result of the lockdown beginning on 23 March, this is considered to be minimal. The two datasets distribute a combined total of around £250 million of SSA.

Recommendation: To continue to use the 2019-20 CTRS data in the 2021-22 settlement

12. Dataset 19: Revenue outturn. The Revenue outturn data collection for 2019-20 is currently planned to go ahead as normal, but the data will likely be impacted, to some degree, by COVID, if only for a small portion of the year.

Views sought: DSG are asked to provide an opinion on whether they consider the likely impact of COVID on this dataset to be material.

13. Dataset 20: Land drainage levies. Officials are awaiting information from the data provider on whether there is likely to be an impact on the 2021-22 settlement data and will alert the group if anything comes to light. Views of the group are welcomed.
14. Dataset 21: Dependent children in out of work families. Officials are awaiting information from the DWP on whether this dataset is likely to be impacted by COVID for the purposes of the 2021-22 settlement. This dataset is currently frozen within the settlement because, as the data does not include Universal Credit cases, it skews the relative shares of the indicator. This dataset distributes around £350 million of SSA.

Recommendation: To continue to use the frozen data for the 2021-22 settlement, in the absence of any reasonable alternative.

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

15. Dataset 22: Road length. The collection of road length data as at April 2020 has been put on hold and it is not known whether this dataset will be updated for this year. While this data does distribute somewhere in the region of £70 million of SSA, there is usually little significant change in the figures from one year to the next.

Recommendation: In the absence of data for April 2020, to roll over the April 2019 data for use in the 2021-22 settlement.

16. Dataset 23: Homelessness. The homelessness data in the settlement has been frozen since the 2017-18 settlement, as the data that was being collected changed, as a result of new legislation coming in. The new data is being collected quarterly, but there are no plans to publish an annual set of statistics as a result of the COVID-19 pandemic.

Recommendation: To continue to freeze the data for the 2021-22 settlement and to revisit at a later date.

17. Dataset 24: Tourism. While some local authorities collected the relevant data from businesses before lockdown, others didn't. If local authorities are having trouble getting the information from businesses then the company that produces the STEAM data will have to look at other solutions, such as basing the data on estimates from other areas and/or delaying the publication of the data. Tourism data distributes somewhere in the region of £30 million of SSA.

Views sought: Members' views are sought, at this stage, on whether they would be content to consider using data that was created using a revised methodology, or whether, in the absence of 'actual' data, they would rather revert to the data used in the 2020-21 settlement.

18. Dataset 27: Private sector dwelling stock. The final quarter of data for private sector dwelling stock was not collected. If this publication is to go ahead in September, this final quarter will need to be estimated. If it decided not to publish this data then the only option would be to use the data from the previous year's settlement. This dataset distributes around £2 million of SSA.

Views sought: Members are asked whether they would consider using published data where the last quarter has been estimated, or whether they would rather roll the data forward from the previous settlement.

19. Dataset 28: Street lighting units. Data on the number of street lighting units is collected by Local Government Finance officials, directly from local authorities. This dataset distributes around £30 million of SSA. The data doesn't usually change significantly from one year to the next and, for context, between 2019-20 and 2020-21, the update in data redistributed £112 thousand of SSA, with the changes in allocations ranging from -£68 thousand to +£19 thousand.

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

Decision: DSG are asked to decide whether they would like Welsh Government Officials to collect this data for the 2021-22 settlement or to roll over the data from the previous settlement.

20. Dataset 29: Non-PWLB debt. Data on non-PWLB debt is collected by Local Government Finance officials, directly from local authorities. It feeds into the Pool Rate model, which, in turn feeds into the debt financing model. For context, the update in the non-PWLB debt from the 2019-20 to the 2020-21 settlement redistributed less than £100 thousand.

Decision: DSG members are asked to decide whether they would like officials to:

- a) collect the non-PWLB debt from authorities**
- b) use last year's non-PWLB debt**
- c) roll forward last year's debt by a year, by estimating that an equal proportion of the debt in each time period is rolled forward.**

21. Dataset 30: Revenue Account. The collection and publication of this dataset has been delayed and, given that this return is reporting on budgeted expenditure for 2020-21, the data that is provided could be significantly different from what is actually spent, as a result of the financial uncertainty brought about by the COVID-19 pandemic.

Views sought: DSG members' views are sought, at this stage, on whether local authorities are likely to be able to provide any meaningful data on budgeted expenditure for 2020-21, and whether it may be an option to roll forward the data from the previous year's settlement, or to replace with 2019-20 RO data.

Conclusion

22. While there will be further work to do before deciding on the treatment of some of the settlement datasets for 2021-22, DSG members are asked to provide recommendations, where possible, and, if not, a steer on how they may consider treating the above datasets in the 2021-22 settlement. Further papers will be produced in the future, looking at settlements beyond 2021-22

**Local Government Finance and Workforce Partnerships
Welsh Government**