

# Cuts Watch Cymru

## Benefits Briefing

May 2012



### Highlights

- 18.5% of Wales's population of working age claimed an income-related benefit as at November 2011, the same proportion as at November 2010.
- The number claiming Incapacity Benefits / Employment and Support Allowance has fallen by more than 5,000, and the number claiming lone parent benefits has fallen by more than 3,000 since November 2010.
- The number claiming Jobseekers' Allowance has increased by 8,000 over the same period.

### Jobseeker's Allowance (April 2012)

- 80,438 were in receipt of JSA in April 2012, 4.2% of working age adults (Table 1). More than four out of ten (35,650 people) have been claiming for more than 6 months.
- The number of JSA claimants is up by 8,465 since May 2011<sup>1</sup> (Table 2), nearly 11%.
- Both male and female unemployment increased in this period – male JSA claimants increased by 5,568 (9.9%) and female JSA claimants increased by 2,897 (11.8%).
- Unemployment increased in all age groups and ethnic groups.
- As at April 2012, 70% of the recipients of JSA were male, 5.9% of all working age males.
- 30% of claimants were female, 2.6% of working age females.
- A third of claimants are aged under 25.
- 95% of claimants<sup>2</sup> are White.

**Table 1:** JSA recipients (April 2012, Wales)

JSA recipients	Claimants
Total	<b>80,438</b>
<b>Claiming for over 6 months</b>	35,560
<b>Claiming for over 12 months</b>	18,430
Males	<b>55,915</b>
Females	<b>24,523</b>

**Table 2:** Change in JSA claimants (May 2011 - April 2012, Wales)

	May 2011	April 2012
Males	50,347	55,915
Females	21,626	24,523
Total	71,973	80,438

<sup>1</sup> The baseline for monitoring changes in JSA is May 2011 as the Work Programme started in June 2011.

<sup>2</sup> Whose ethnic origin was known.

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### Incapacity Benefit (November 2011)

- 112,030 people in Wales received Incapacity Benefit (IB).
- 80% of claimants have claimed for 5 years or more, 18% have claimed for 2 to 5 years (table 3).
- Just over four out of ten claimants (43.2%) were female, and 56.4% were aged 50-64.
- The number of IB claimants has fallen by 13,330 since February 2011, when IB claimants began to be assessed by the Work Capability Assessment (WCA).
- Between October 2010 and July 2011, 40% of claimants of IB who were assessed were 'found fit for work' (table 4). 35% were placed in the work-related activity group and 25% in the support group.

**Table 3:** Recipients of Incapacity Benefit by duration of claim (November 2011, Wales)

Duration	Claimants	As a proportion of claimants
Up to 3 months	320	< 1%
3 months up to 6 months	190	< 1%
6 months up to 1 year	530	< 1%
1 year and up to 2 years	1,050	1%
2 years and up to 5 years	20,530	18%
5 years and over	89,420	80%
Total	112,030	

**Table 4:** Outcomes of Work Capability Assessments for IB claimants (from October 2010 to July 2011, Wales)

Found to be entitled to ESA		Found to be fit for work
Placed in the Work-related activity group	Placed in the support group	
35%	25%	40%

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## Employment and Support Allowance (November 2011)

- A total of 54,210 people were at some stage in their claim for ESA, the majority (25,950) being in the assessment phase (table 5).
- Just under half of claimants (45%) were female, a third (32.9%) were aged 50-64 years and 2.6%<sup>3</sup> were not of White ethnic origin.
- The number of claimants was up by 11,940 on February 2011, an increase of 28%, as claimants are transferred from Incapacity Benefit to ESA.
- As of August 2011, only 3% of ESA claimants were former Incapacity Benefit claimants who had been reassessed. The majority were people who had not previously claimed Incapacity Benefit (table 6).
- Of those in receipt of ESA, the majority were in the work-related activity group (17,650), with far fewer people in the support group (7,330).

**Table 5:** Recipients of ESA by phase of claim (November 2011, Wales)

Phase of ESA claim	Number of claimants
Unknown	3,280
<b>Assessment phase</b>	<b>25,950</b>
Work-Related Activity Group	17,650
Support Group	7,330
<b>Total</b>	<b>54,210</b>

**Table 6:** Recipients of ESA who previously claimed IB (November 2011, Wales)

Incapacity Benefit reassessment claim	Claimants	As a proportion of total ESA claimants
Non Incapacity Benefit reassessed	47,480	88%
Incapacity Benefit reassessed	6,720	12%
<b>Total</b>	<b>54,210</b>	

<sup>3</sup> Of those who declared their ethnicity

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### Income Support (November 2011)

- 92,210 people in Wales received Income Support (IS).
- The number of IS claimants has fallen by 11,220 since November 2010, a decrease of 10%. The decrease has occurred in all groups of claimants.
- In November 2011, two-thirds of claimants were female, and recipients were fairly evenly distributed across the different age groups (table 7).
- Just over half of IS claimants (51,030) people also receive Incapacity Benefits.
- A third of IS claimants (30,180) people are lone parents. Almost all lone parent claimants (97%) are female.
- The majority of lone parent claimants had a child aged under 5 years of age (table 8).
- Young IS claimants were much more likely to be lone parents than older claimants.
- Older IS claimants were much more likely to be claiming other Incapacity Benefits than younger claimants.

**Table 7: Income Support recipients by age and statistical group (November 2011, Wales)**

Age	Incapacity benefits	Lone parent	Carer	Others	Totals
aged under 18	-	260	10	550	820
aged 18-24	1,420	10,160	630	1,400	13,610
aged 25-34	7,310	12,730	1,140	350	21,530
aged 35-44	13,140	5,690	1,900	280	21,010
aged 45-49	8,780	950	1,430	190	11,350
aged 50-54	9,150	290	1,360	190	10,980
aged <b>55-59</b>	9,530	110	1,130	220	10,990
aged 60-64	1,700	-	180	40	1,930
Total	51,030	30,180	7,780	3,220	92,210

**Table 8: Income Support recipients by age of youngest child (November 2011, Wales)**

Age of youngest child	Recipients
Under 5	21,970
5 to under 11	6,600
11 to under 16	1,610
16 or over	0
Total	30,180

Note: all claimants, not just lone parents.

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## ANNEX

Cuts Watch Cymru is a coalition of third sector organisations investigating the impacts of welfare reforms on people living in Wales. Through talking to people affected by the changes, we seek to build a clearer picture about the impacts on different groups of people in different localities. This statistical briefing has been produced to give an overview of the characteristics of claimants across the main benefits, using the latest available data for Wales. In particular, it pays attention to possible issues in light of the welfare reforms. This will be a regular briefing which focuses on specific benefits that are subject to change, where data is available. The current briefing focuses on several of the major out-of-work benefits that are subject to change, which include:

### Job seeker's Allowance

Jobseeker's Allowance (JSA) is a benefit for people who are either unemployed or work a limited number of hours, and are required to be available for work. There are two types of JSA:

- Contribution-based JSA – depends on an individual's National Insurance contribution record but is not affected by other income or capital, and
- Income-based JSA – is means-tested and dependent on income and capital.

For both JSA types, those aged under 25 receive a lower rate of payment. It is a condition of entitlement of JSA that a claimant must be willing and able to take up employment immediately. Recipients must be able to prove that they are actively seeking work.

### Incapacity Benefit

Incapacity Benefit is paid to those who cannot work due to illness or disability. From January 2011 people were no longer able to make new claims for Incapacity Benefit, and have to claim Employment and Support Allowance instead. Current recipients of Incapacity Benefit, who are required to switch to Employment and Support Allowance, are currently being transferred, and this is expected to be complete by 2014. In order to be transferred over to the new benefit, people have to take the Work Capability Assessment, in order to determine their entitlement.

### Employment and Support Allowance

Employment and Support Allowance provides financial support to those who are unable to work as a result of illness or impairment. After being assessed by the Work Capability Assessment, claimants are then placed into either the 'work-related activity group', or the 'support group'. Those in the 'work-related group' are expected to take part in work focused interviews to help them prepare for work. People in the support group are not expected to work due to the severity of their illness or impairment.

### Income Support

Income Support is a means-tested benefit paid to people of working age who are on a low income, but who are not available for work, e.g. because they are lone parents or carers.