

CAN WELFARE WORK FOR WALES?

**Baseline report
November 2015**

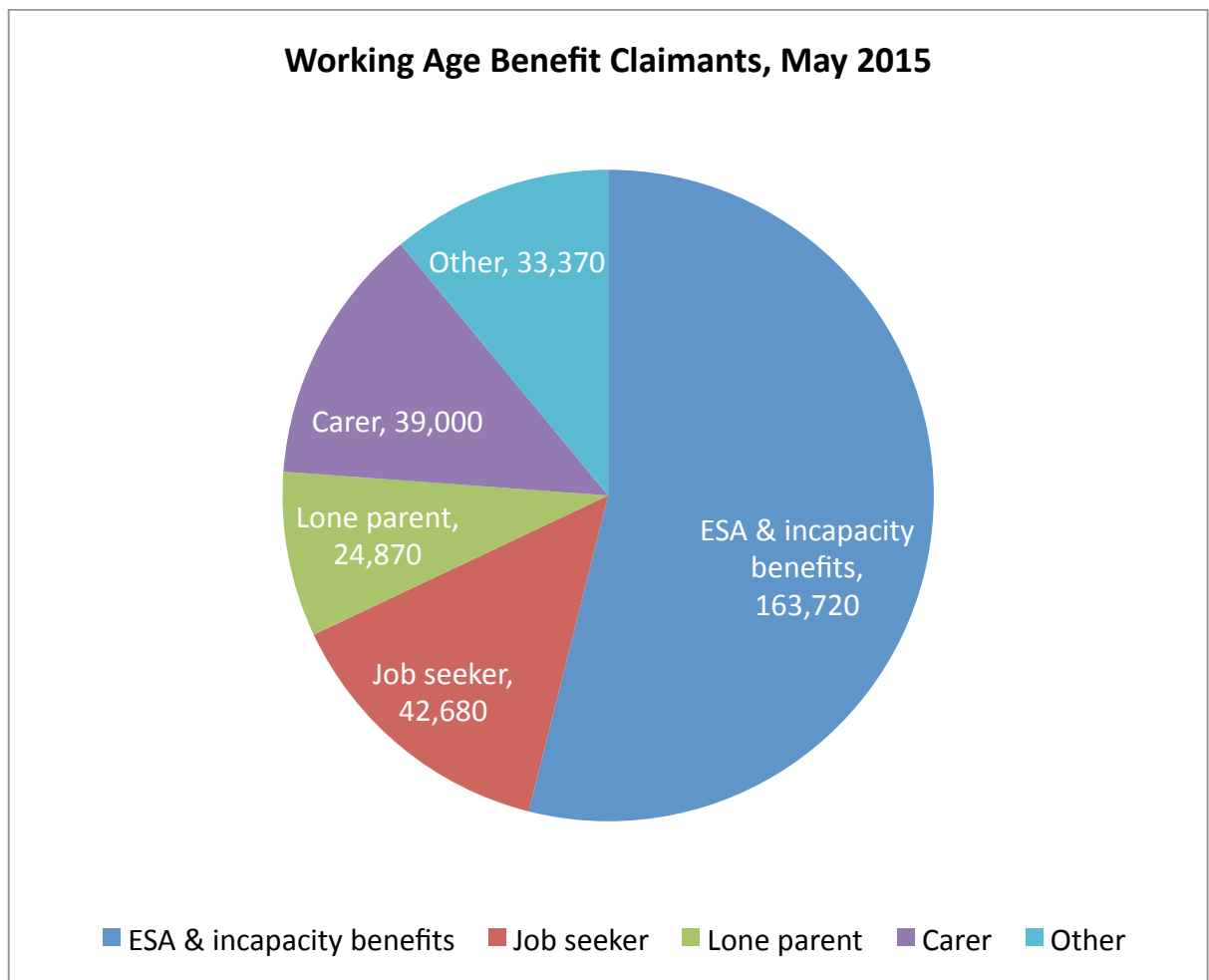
1. Overview

Social security benefits are vitally important to people in Wales. They are received by:

- 619,885 children receiving child benefit
- 237,000 working-age adults who are out of work
- 164,000 low income families who are in work
- 651,900 pensioners.

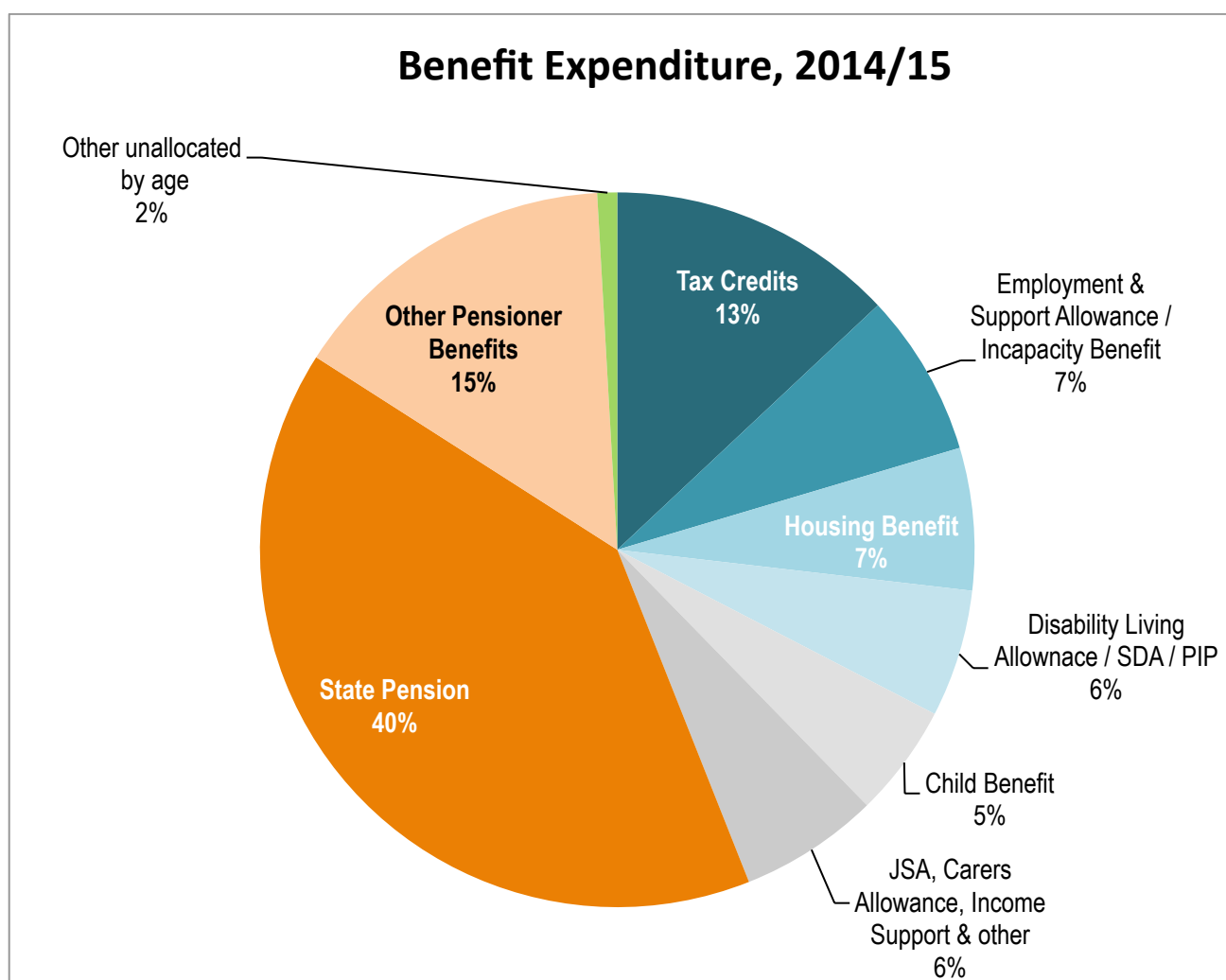
Working Age Claimants

- Amongst those of working age, more than half of claimants are claiming Employment and Support Allowance / Incapacity Benefits.
- Job Seekers account for only 14% of all claimants.
- There are nearly as many people claiming benefits because they are carers as there are Job Seekers.



2. Benefit Expenditure

- The value of benefits paid to people in Wales in 2014/15 is approx. £10.7 billion.
- 55% of benefits expenditure (£6.1 billion) is on pensions and benefits for people over retirement age of which:
 - the vast majority (£4.5 billion) is State Pension;
 - Disability benefits account for £855 million;
 - Pension Credit accounts for £386 million.
- Amongst adults of working age, the largest expenditure is on:
 - Tax Credits (£1.46 billion);
 - Employment & Support Allowance (£829 million);
 - Housing Benefit (£722 million) and;
 - Disability benefits (£647 million).

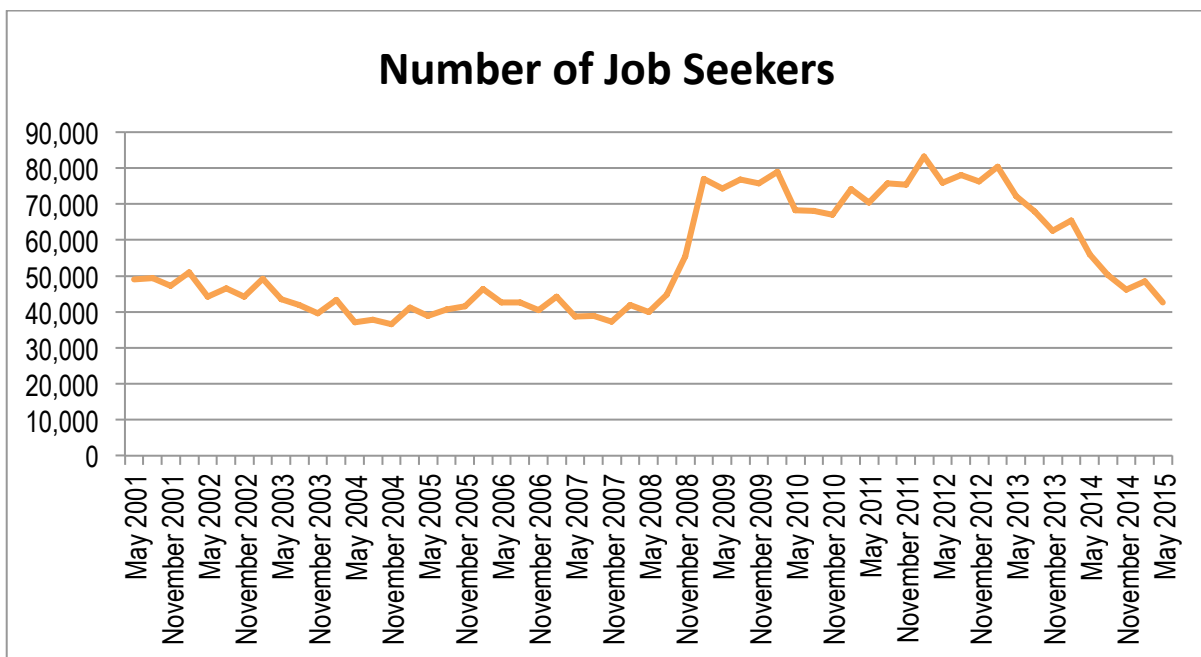


3. Job Seekers

Includes people claiming Job Seekers' Allowance and a small number claiming other benefits.

Number of claimants

- 42,680 in May 2015
- down 43.8% from May 2012, back to mid 2006 levels.



Composition

- 64.3% male.
- 50.3% under 35 years old, 11.2% over 55 years old.
- 52.0% claiming less than 6 months; 31.8% claiming one year or more.
However older claimants much more likely to be long-term unemployed than younger claimants.

Expenditure in Wales

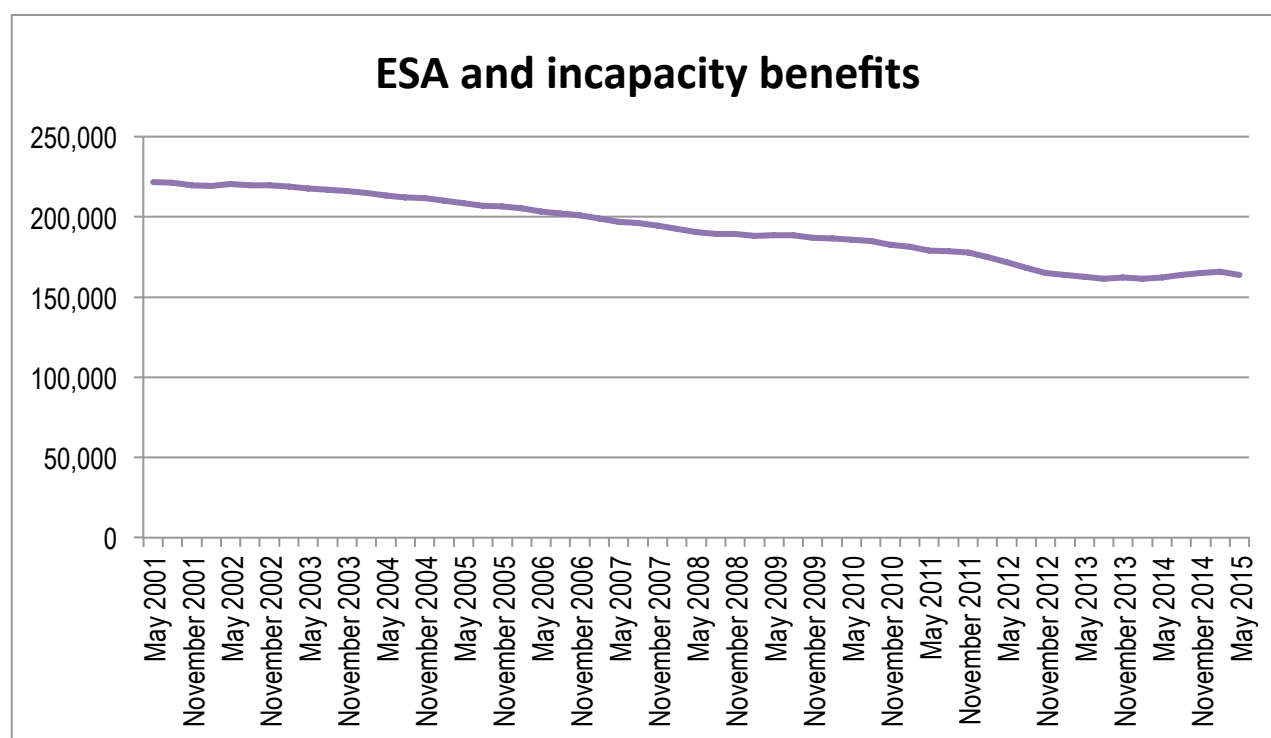
- £183m on Job Seekers Allowance in 2014/15

4. Employment and Support Allowance (ESA) & Incapacity Benefit (IB)

Includes claimants of ESA, IB and combinations of benefits including Disability Living Allowance, Severe Disablement Allowance and other income-related benefits such as Income Support.

Number of claimants:

- 163,720 claimants at May 2015.
- Long-term trend is down but decrease since May 2012 is relatively modest at 4.7% (8,070 claimants), with no change in the last two years.



Composition at May 2015:

- Just over half (52.4%) male.
- 30.3% aged 55-64.
- 81.5% claiming more than one year; 58.5% claiming more than five years.

Expenditure in Wales:

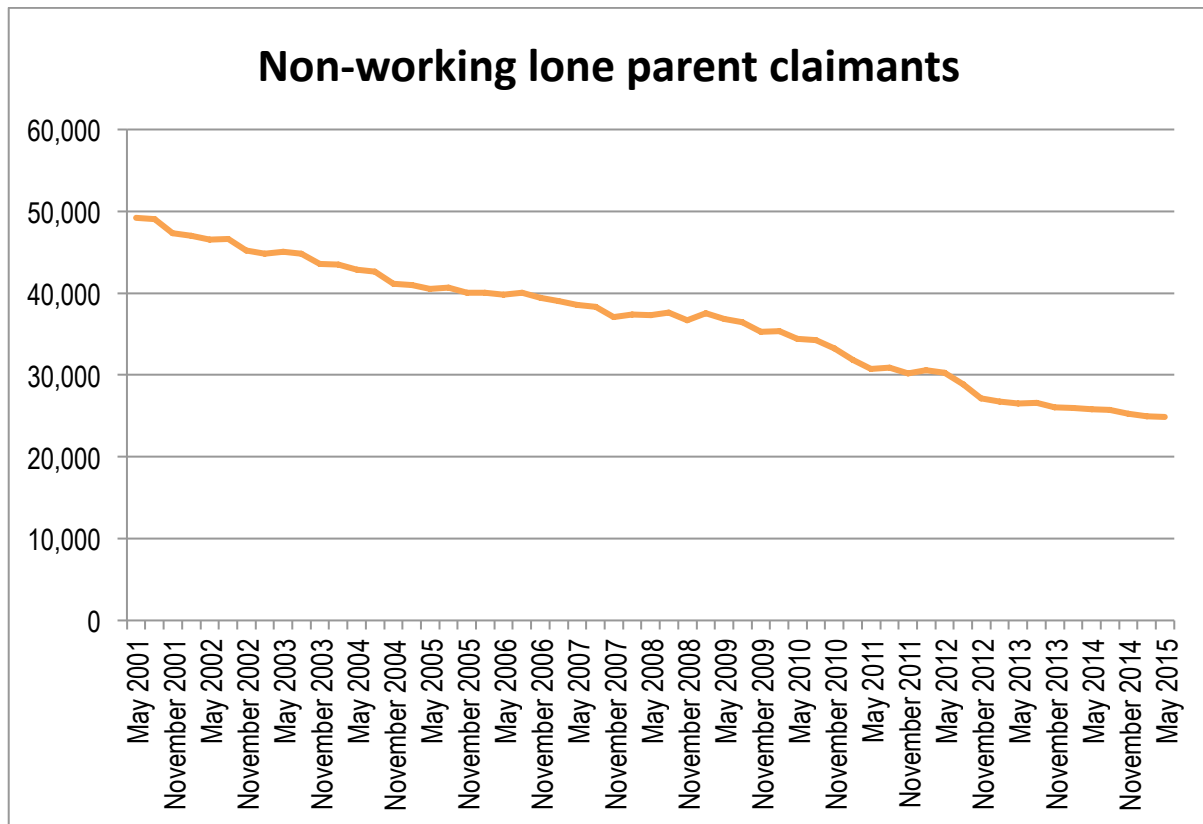
- £825 million in 2014/15 on ESA and IB

5. Lone Parents (not working)

includes claimants of Income Support either alone or in combination with other benefits (but not JSA or ESA/IB, or Child and Working Tax Credits for lone parents in work).

Number of claimants:

- 24,870 claimants as at May 2015.
- Long term trend is downwards.
- -5,360 fewer claimants in May 2015 than in May 2012, a decrease of 17.7%.
-



Composition at May 2015:

- 97.4% female.
- 31.6% under 25 years old; 45.2% aged 25-34
- 72.7% claiming 1 year and over; 21.0% claiming five years and over.

Expenditure:

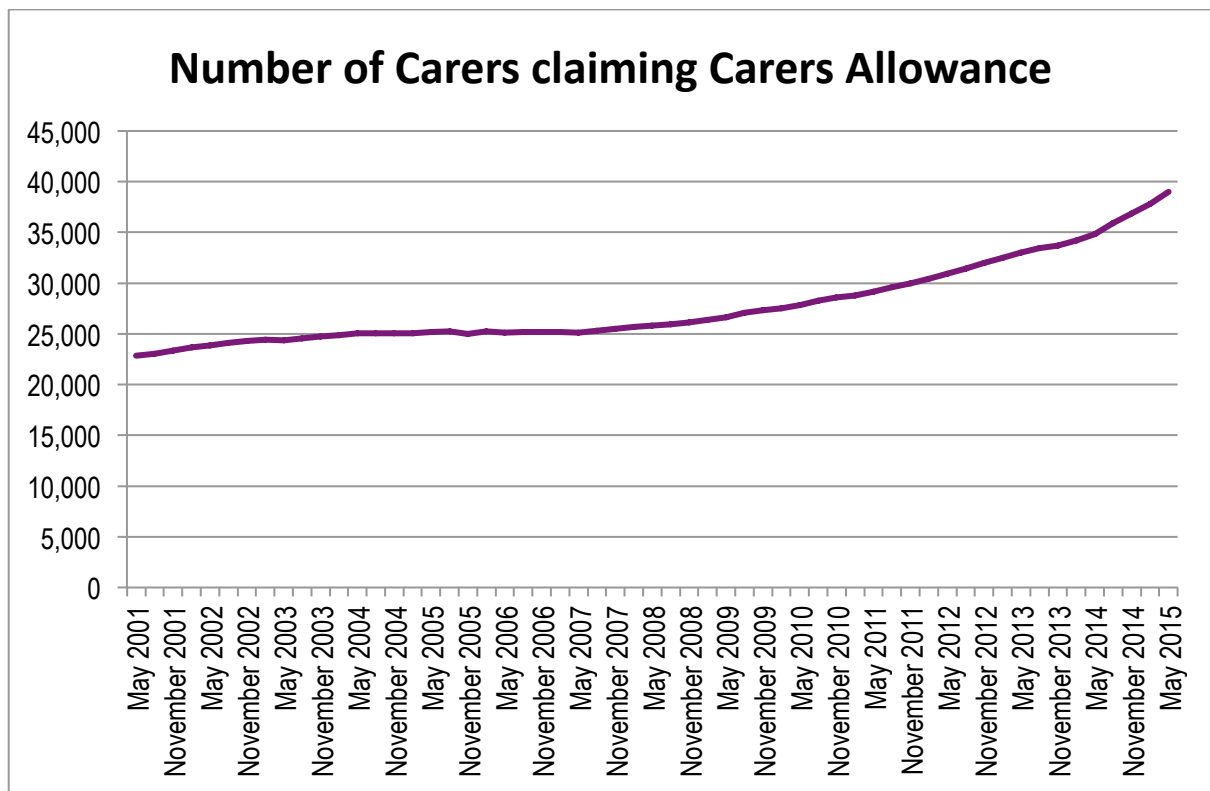
- £98 million on Income Support for lone parents.

6. Carers

Carers receive Carers Allowance either alone or in combination with Income Support or other benefit (not JSA or ESA / IB).

Number of claimants:

- 39,000 claimants as at May 2015
- Long term trend is upwards
- 8,000 more claimants in May 2015 than in May 2012, an increase of 26%



Composition at May 2015

- 65.7% of carers are female.
- 57.8% of carers are aged 45-64.
- 79.7% claiming 1 year or more; 41.1% claiming 5 years or more.

Expenditure

- £145 million on Carers Allowance in 2014/15.
- £37 million on Income Support for Carers in 2014/15.

7. Tax Credits

Working Tax Credits top up the incomes of low paid households where someone is in employment.

Child Tax Credits help with the costs of bringing up a child, for families in-work and out-of-work.

Number

- 238,000 families with 284,000 children received Child and / or Working Tax Credit in 2013/14.
- The number of families receiving Child and Working Tax Credits has fallen in the last three years, down from 3000,000 in 2011/12, a drop of 21%.

Composition

- The majority of families receiving Tax Credits are in work - 164,000 families with 245,000 children included someone who is working, in 2013/14.
- 58,000 in-work claimants were lone parents (35% of claimants).
- 77% of out-of-work families and 81% of in-work families have one or two children .
- 30,000 in-work claimants (18%) had no children.

Expenditure

- £1.46 billion in 2013/14.

8. Housing Benefit

Number

- There were 243,571 claimants in August 2015.
- The trend is slightly downwards – 9,892 fewer than in May 2013 (4% decline).

Composition at August 2015

- 66% of claimants live in social housing.
- 12.3% have 'spare room subsidy' removed – 30,000 households.

Expenditure

- Total expenditure in Wales was £1.011 billion in 2014/15.
- Of this £722 million was for households of working age.
- £289 million was for households of pension age.

9. Child Benefit

Child Benefit is payable to all children, although it is slowly withdrawn when one parent or carer earns more than £50,000 and is not payable at all when a parent earns more than £60,000.

Number of claimants:

- 359,910 families receive Child Benefit as at August 2014
- 619,885 children receive Child Benefit as at August 2014
- 10,595 families have opted out of receiving Child Benefit, affecting 18,190 children

Composition at August 2014:

- 85% of families claiming Child Benefit have one or two children; only 15% (54,535) have three or more.

Expenditure:

- Approximately £571 million in 2014/15.¹

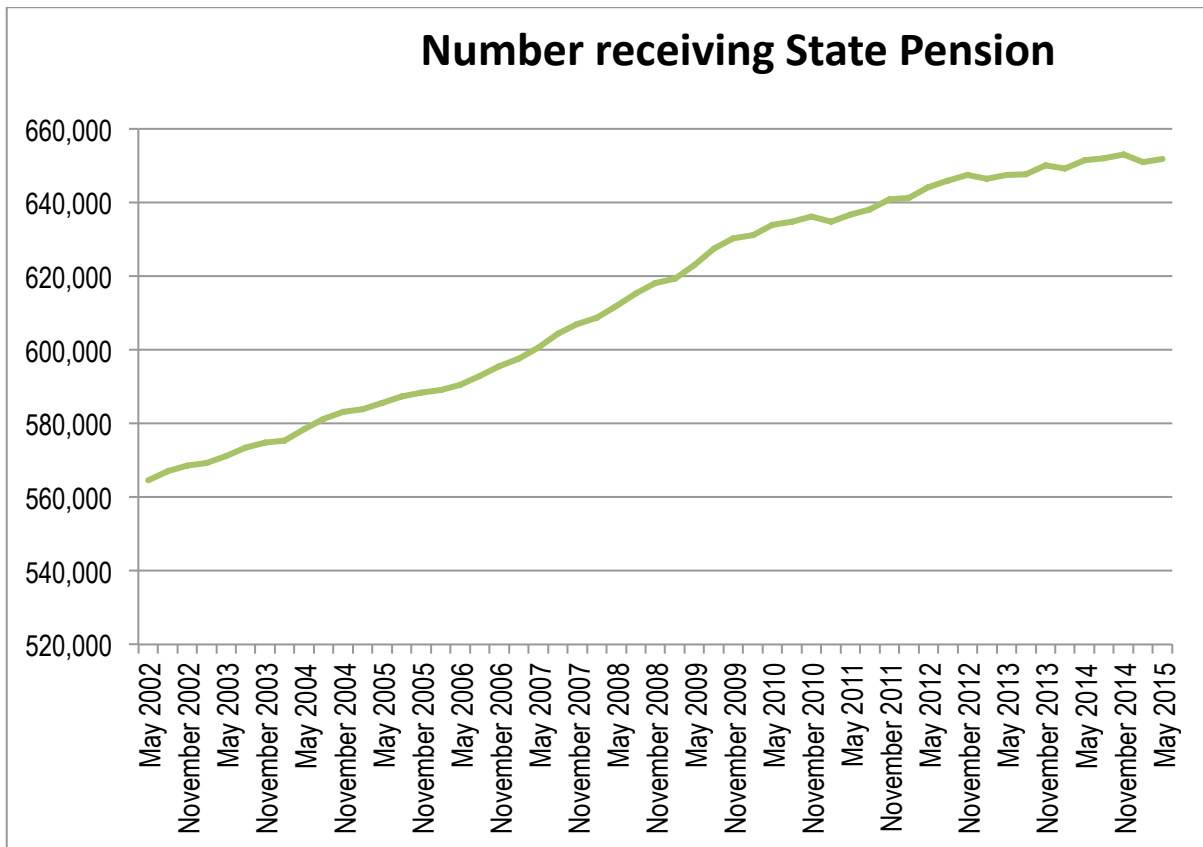
¹ Calculated from the number of children in claimant families and the rates payable for first and subsequent children.

10. State Pension

State pension is payable to all people reaching the qualifying age (which is rising for women to age 65 and then for both genders to age 66).

Number of claimants

- 651,900 claim state pension
- The trend in the number of pension claimants is upwards, with 7.8 more in May 2015 than in May 2012.



Composition

- 56% are female.
- 41% (273,230) are aged 75 and over.

Expenditure

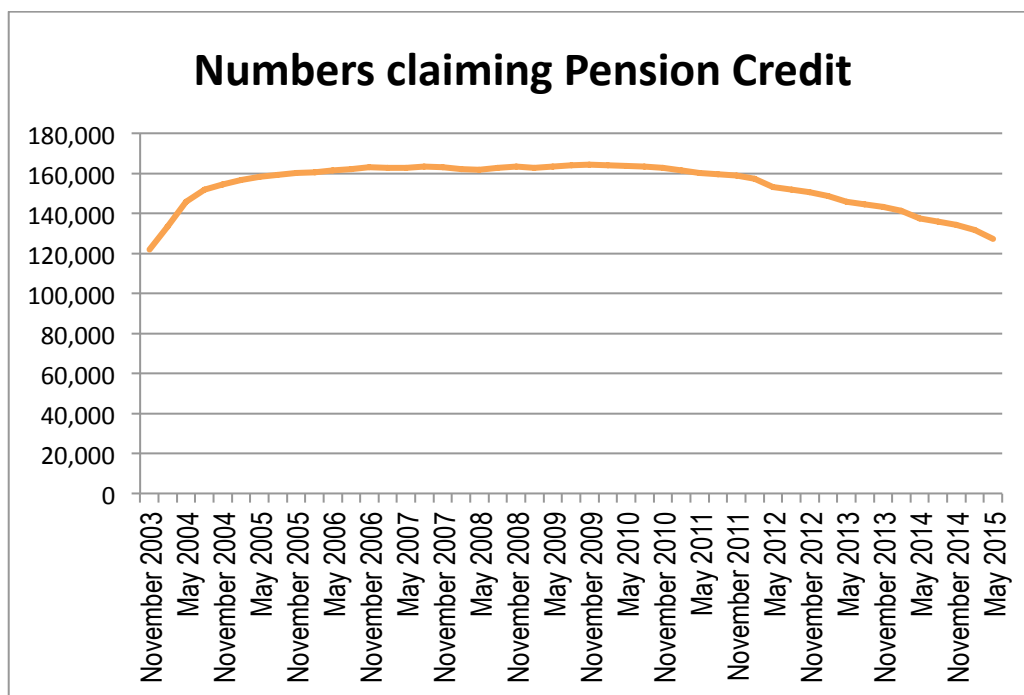
- £4.496 million in 2014/15

11. Pension Credit

Pension Credit is payable to pensioners with low incomes. Take-up is estimated to be relatively low.

Number

- 127,220 claimants in May 2015
- Trend is downwards – 16.9% fall since May 2012, down nearly 26,000



Composition

- 61.2% are female
- Just over half (52.4%) are aged 75+
- Nearly eight out of ten (78.2%) are single

Expenditure

- £386 million in 2014/15

Annex 1

Estimated Expenditure on Benefits (£million)

Children & Working Age	
Tax Credits	1,460.0
ESA / IB	829.4
Housing Benefit	722.2
Disability Living Allowance / Severe Disablement Allowance / Personal Independence Payment	647.1
Child Benefit	571.0
Carers Allowance	144.5
Jobseeker's Allowance	183.1
Income Support	173.3
Maternity	111.2
Disability Living Allowance (children)	95.0
Universal Credit	0.6
TOTAL WORKING AGE	4,326.5
Pension Age	
State Pension	4,496.5
Pension Credit	386.5
Disability Living Allowance pensioners	470.3
Attendance Allowance	384.9
Housing Benefit over Guaranteed Credit age	288.9
Winter Fuel Payments	115.0
Over 75 TV licences	32.4
Severe Disablement Allowance Pensioners	11.0
TOTAL PENSION AGE	6,185.5
Not allocated by Age	
Bereavement benefits	29.7
Cold Weather Payments	0.2
Discretionary Housing Payments	8.2
Industrial Injuries Benefits	62.7
TOTAL OTHER	195.8
GRAND TOTAL	10,707.8

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