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Unemployment Benefits data

Summary

1. This paper sets out the latest position concerning the latest unemployment benefits dataset and the potential impact on the 2022-23 Local Government Settlement.

Views Sought

2. DSG are asked to consider the benefits dataset and to share their thoughts on how they would like to approach the updating of the dataset for 2022-23.

Background

3. Benefits data are used directly as indicators in the Settlement to distribute funding through using a combination of unemployment benefits data sets (Income Support, JSA, Pension Credit and Universal Credit (UC) not in employment) or disability related benefits (PIP, SDA, DLA).
4. Early data shows that the caseload of unemployment related benefits have increased during the pandemic period, whilst this is not the case for disability related benefits. This paper will therefore consider the distributional impact of updating the unemployment benefit indicators to give DSG an early opportunity to consider the changes in distribution.
5. This data is available quarterly, and a 12 quarter average is used within the settlement to smooth the year-on year changes.
6. Between each settlement year, 4 quarters of data are updated. The data scheduled to be used in the 2022-23 settlement will include data from during the pandemic period: May 2020, August 2020, November 2020 and February 2021. Data for November 2020 and February 2021 are currently not available (available in late May and August). Therefore this paper will focus on what the updated data from May and August show.

Analysis

7. This section looks at the change in the average number of people on the benefits indicators.
8. Table 1 shows the average caseload of benefits claimants has increased by including the latest 2 quarters (May and August) for both age groups.
9. Table 2 shows each authority's relative share of the indicator over the two different time periods. The changes to the relative share of the all ages indicator range from a 0.08 percentage points increase in Cardiff to a decrease of 0.05 percentage points in

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Caerphilly. For the 18 to 64 indicator this ranged from a 0.06 percentage points increase in Flintshire and Powys to 0.10 percentage point decrease in Caerphilly.

10. For context in updating the dataset between the 2021-22 and 2020-21 settlement the changes in an authority's relative share of the indicator ranged from an increase of 0.25 percentage points to a decrease of 0.22 percentage points.

Conclusion

11. DSG members are asked to consider whether the datasets in question have been disproportionately affected by the Covid-19 pandemic, and therefore consider the following options:
 - To collect the remaining data and then re-assess;
 - To freeze all at last year's values.

Recommendation

12. As the changes observed are within the range of the previous year, it is recommended that the remaining dataset is collected and re-assessed.

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Annex A

Table 1 – Average number of people (by age) on Income Support, Job Seekers Allowance, Pension Credit and Universal Credit not in employment.

	All ages				18 to 64				
	May 17 to	Nov 17 to	Difference		May 17 to	Nov 17 to	Difference		
	Feb 20	Aug 20	N	%	Feb 20	Aug 20	N	%	
Isle of Anglesey	4,277	4,443	166	3.9%	Isle of Anglesey	1,567	1,627	60	3.8%
Gwynedd	6,578	6,872	295	4.5%	Gwynedd	2,132	2,242	110	5.2%
Conwy	7,496	7,853	357	4.8%	Conwy	2,813	2,981	169	6.0%
Denbighshire	6,838	7,159	321	4.7%	Denbighshire	2,758	2,926	168	6.1%
Flintshire	8,422	8,875	453	5.4%	Flintshire	3,791	4,023	232	6.1%
Wrexham	8,435	8,858	423	5.0%	Wrexham	3,960	4,154	194	4.9%
Powys	5,837	6,142	305	5.2%	Powys	1,655	1,783	128	7.7%
Ceredigion	3,286	3,445	160	4.9%	Ceredigion	971	1,029	58	6.0%
Pembrokeshire	7,348	7,685	337	4.6%	Pembrokeshire	2,890	3,017	127	4.4%
Carmarthenshire	10,652	11,109	457	4.3%	Carmarthenshire	4,037	4,205	168	4.2%
Swansea	15,948	16,728	780	4.9%	Swansea	7,458	7,853	395	5.3%
Neath Port Talbot	10,947	11,426	479	4.4%	Neath Port Talbot	5,175	5,439	265	5.1%
Bridgend	8,757	9,193	437	5.0%	Bridgend	4,151	4,345	194	4.7%
The Vale of Glamorgan	6,207	6,538	331	5.3%	The Vale of Glamorgan	2,656	2,791	135	5.1%
Rhondda Cynon Taf	16,070	16,791	721	4.5%	Rhondda Cynon Taf	7,058	7,319	262	3.7%
Merthyr Tydfil	4,476	4,691	214	4.8%	Merthyr Tydfil	2,170	2,261	91	4.2%
Caerphilly	12,253	12,744	491	4.0%	Caerphilly	5,603	5,784	181	3.2%
Blaenau Gwent	5,665	5,869	203	3.6%	Blaenau Gwent	2,643	2,723	79	3.0%
Torfaen	6,713	7,062	350	5.2%	Torfaen	3,403	3,589	186	5.5%
Monmouthshire	3,587	3,776	189	5.3%	Monmouthshire	1,300	1,376	76	5.8%
Newport	10,584	11,141	556	5.3%	Newport	5,604	5,852	248	4.4%
Cardiff	20,756	21,920	1,164	5.6%	Cardiff	10,824	11,309	485	4.5%
Wales	191,132	200,320	9,188	4.8%	Wales	84,618	88,628	4,010	4.7%

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Table 2 – Relative share of the Income Support, Job Seekers Allowance, Pension Credit and Universal Credit not in employment dataset by local authority and age.

LA	All Ages			LA	18 to 64		
	May 17 to	Nov 17 to	Difference		May 17 to	Nov 17 to	Difference
	Feb 20	Aug 20			Feb 20	Aug 20	
Isle of Anglesey	2.2%	2.2%	-0.02%	Isle of Anglesey	1.9%	1.8%	-0.02%
Gwynedd	3.4%	3.4%	-0.01%	Gwynedd	2.5%	2.5%	0.01%
Conwy	3.9%	3.9%	0.00%	Conwy	3.3%	3.4%	0.04%
Denbighshire	3.6%	3.6%	0.00%	Denbighshire	3.3%	3.3%	0.04%
Flintshire	4.4%	4.4%	0.02%	Flintshire	4.5%	4.5%	0.06%
Wrexham	4.4%	4.4%	0.01%	Wrexham	4.7%	4.7%	0.01%
Powys	3.1%	3.1%	0.01%	Powys	2.0%	2.0%	0.06%
Ceredigion	1.7%	1.7%	0.00%	Ceredigion	1.1%	1.2%	0.01%
Pembrokeshire	3.8%	3.8%	-0.01%	Pembrokeshire	3.4%	3.4%	-0.01%
Carmarthenshire	5.6%	5.5%	-0.03%	Carmarthenshire	4.8%	4.7%	-0.03%
Swansea	8.3%	8.4%	0.01%	Swansea	8.8%	8.9%	0.05%
Neath Port Talbot	5.7%	5.7%	-0.02%	Neath Port Talbot	6.1%	6.1%	0.02%
Bridgend	4.6%	4.6%	0.01%	Bridgend	4.9%	4.9%	0.00%
The Vale of Glamorgan	3.2%	3.3%	0.02%	The Vale of Glamorgan	3.1%	3.1%	0.01%
Rhondda Cynon Taf	8.4%	8.4%	-0.03%	Rhondda Cynon Taf	8.3%	8.3%	-0.08%
Merthyr Tydfil	2.3%	2.3%	0.00%	Merthyr Tydfil	2.6%	2.6%	-0.01%
Caerphilly	6.4%	6.4%	-0.05%	Caerphilly	6.6%	6.5%	-0.10%
Blaenau Gwent	3.0%	2.9%	-0.03%	Blaenau Gwent	3.1%	3.1%	-0.05%
Torfaen	3.5%	3.5%	0.01%	Torfaen	4.0%	4.0%	0.03%
Monmouthshire	1.9%	1.9%	0.01%	Monmouthshire	1.5%	1.6%	0.02%
Newport	5.5%	5.6%	0.02%	Newport	6.6%	6.6%	-0.02%
Cardiff	10.9%	10.9%	0.08%	Cardiff	12.8%	12.8%	-0.03%
Wales	100.0%	100.0%	0.00%	Wales	100.0%	100.0%	0.00%