

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.

Unemployment Benefits data

Summary

1. This paper sets out the latest position concerning the most recent unemployment benefits datasets and the potential impact on the 2023-24 Local Government Settlement.

Views Sought

2. The DSG are asked to consider the unemployment benefits datasets and outline their views for the 2023-24 settlement.

Related Papers

Distribution Sub-Group (2021) - Paper 17 - Unemployment benefits dataset update

Background

3. Benefits data are used as proxies for deprivation in Settlement indicators to distribute funding, through a combination of unemployment benefits data sets (Income Support, JSA, Pension Credit and Universal Credit (UC) not in employment) for all ages or working age; and disability related benefits (PIP, SDA, DLA).
4. Due to the seasonal and covid volatility in this data a 12-quarter average was agreed through DSG in the past and is used within the settlement to smooth the year-on year changes, with 4 quarters of the 12 being updated each settlement year.
5. On 1 April 2013, the [Council Tax Reduction Scheme \(CTRS\)](#) replaced Council Tax Benefit (CTB) in Wales and eligible households were automatically transferred onto the new scheme. The CTRS Regulations were closely based on previous CTB rules. This ensured households retained their entitlement to support in meeting their council tax liability. We have amended the original Regulations each year since to maintain entitlements.

Analysis

6. Table 1 in Annex A shows the underlying average of 12 quarters data by different benefit combinations. Generally, this follows recent trends that income support, jobseeker allowance, and pensions credit claimants have decreased over the past

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few years as changes to the benefit system of the employment-based benefits are gradually moving from these legacy benefits onto universal credit. Overall all local authorities have seen a gradual increase in claimants.

7. Table 4 in Annex C shows the CTRS expenditure and caseload data. Overall most local authorities have seen a increases in CTRS expenditure but decreases in CTRS caseload.

Distributional impact of updating the data

8. Table 3 in Annex B provides an exemplification of the latest benefits data on the 2022-23 settlement. Overall the distributional impact in AEF is relatively small with the largest decreases Neath Port Talbot (£0.23m) and Rhonda Cynon Taf (£0.16m).
9. Table 5 in Annex D provides an exemplification of the latest benefits data and CTRS on the 2022-23 settlement. Overall the largest decreases can be seen in Neath Port Talbot (£0.41m) and Bridgend (£0.37m).

Recommendation

10. Continue to use this indicator as a proxy for deprivation similar to how it was used for the settlement in 2022-23 as the distributional impacts are minimal.

Conclusion

11. DSG members are asked to consider the dataset in question and consider the option provided within this paper.

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Annex A

Table 1: Combined caseload of benefit indicators by local authority, age group and settlement year

	<u>Average of 12 quarters May 2019 to February 2022</u>				<u>Average of 12 quarters May 2018 to February 2021</u>			
	PENSIONER CLAIMANTS OF INCOME SUPPORT	Total Claimants of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	Total Under 65's of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	SEVERE DISABILITY AND ALLOWANCE	PENSIONER CLAIMANTS OF INCOME SUPPORT	Total Claimants of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	Total Under 65's of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	SEVERE DISABILITY AND ALLOWANCE
Isle of Anglesey	2,317	5,523	3,130	2,825	2,459	4,936	2,432	2,725
Gwynedd	3,825	8,751	4,822	3,914	4,042	7,779	3,675	3,735
Conwy	4,013	9,940	5,805	5,166	4,233	8,942	4,636	4,954
Denbighshire	3,494	9,045	5,429	5,226	3,686	8,123	4,368	4,959
Flintshire	3,839	11,299	7,310	6,153	4,062	10,161	6,003	5,878
Wrexham	3,675	11,261	7,433	6,146	3,917	10,145	6,137	5,783
Powys	3,626	8,017	4,281	4,768	3,827	7,027	3,139	4,570
Ceredigion	2,047	4,574	2,464	2,758	2,137	3,963	1,791	2,694
Pembrokeshire	3,866	9,752	5,762	5,559	4,064	8,693	4,553	5,310
Carmarthenshire	5,737	14,257	8,335	9,693	6,054	12,609	6,444	9,151
Swansea	7,165	21,460	14,024	12,860	7,513	19,175	11,493	12,184
Neath Port Talbot	4,772	13,971	9,035	9,557	5,078	12,787	7,608	9,195
Bridgend	3,846	11,860	7,849	7,940	4,066	10,508	6,345	7,746
The Vale of Glamorgan	3,057	8,802	5,636	5,184	3,204	7,593	4,325	4,979
Rhondda,Cynon,Taff	7,548	21,377	13,620	14,320	8,057	18,913	10,725	13,804
Merthyr Tydfil	1,934	6,015	4,009	4,024	2,044	5,310	3,223	3,894
Caerphilly	5,690	16,129	10,252	10,968	6,014	14,305	8,190	10,516
Blaenau Gwent	2,514	7,366	4,757	4,756	2,678	6,534	3,805	4,493
Torfaen	2,743	8,848	6,001	5,548	2,893	8,036	5,076	5,233
Monmouthshire	1,972	5,011	2,961	3,145	2,063	4,389	2,279	3,025
Newport	4,143	14,651	10,350	7,744	4,354	12,923	8,468	7,235
Cardiff	8,152	29,946	21,472	15,523	8,618	25,880	17,081	14,798

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Table 2: Combined caseload of benefit indicators by local authority, age group and settlement year (Percentage change)

	<u>Percentage Change</u>				<u>Relative share change</u>				
	PENSIONER CLAIMANTS OF INCOME SUPPORT	Total Claimants of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	Total Under 65's of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	SEVERE DISABLEMENT AND DISABILITY ALLOWANCE	PENSIONER CLAIMANTS OF INCOME SUPPORT	Total Claimants of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	Total Under 65's of Income Support (IS), Jobseeker's Allowance (JSA), Pension Credit (PC) and Universal Credit 'not in employment'	SEVERE DISABLEMENT AND DISABILITY ALLOWANCE	
Isle of Anglesey	-5.8%	11.9%	28.7%	3.7%	-0.01%	-0.02%	0.05%	-0.02%	
Gwynedd	-5.4%	12.5%	31.2%	4.8%	0.00%	-0.01%	0.14%	0.00%	
Conwy	-5.2%	11.2%	25.2%	4.3%	0.01%	-0.05%	0.01%	-0.01%	
Denbighshire	-5.2%	11.4%	24.3%	5.4%	0.01%	-0.04%	-0.02%	0.02%	
Flintshire	-5.5%	11.2%	21.8%	4.7%	-0.01%	-0.06%	-0.12%	0.00%	
Wrexham	-6.2%	11.0%	21.1%	6.3%	-0.04%	-0.07%	-0.14%	0.06%	
Powys	-5.3%	14.1%	36.4%	4.3%	0.00%	0.04%	0.22%	-0.01%	
Ceredigion	-4.2%	15.4%	37.6%	2.4%	0.03%	0.04%	0.14%	-0.04%	
Pembrokeshire	-4.9%	12.2%	26.5%	4.7%	0.02%	-0.02%	0.04%	0.00%	
Carmarthenshire	-5.2%	13.1%	29.4%	5.9%	0.01%	0.02%	0.17%	0.07%	
Swansea	-4.6%	11.9%	22.0%	5.5%	0.06%	-0.06%	-0.21%	0.07%	
Neath Port Talbot	-6.0%	9.3%	18.8%	3.9%	-0.04%	-0.17%	-0.29%	-0.05%	
Bridgend	-5.4%	12.9%	23.7%	2.5%	0.00%	0.01%	-0.05%	-0.11%	
The Vale of Glamorgan	-4.6%	15.9%	30.3%	4.1%	0.03%	0.09%	0.14%	-0.02%	
Rhondda,Cynon,Taff	-6.3%	13.0%	27.0%	3.7%	-0.09%	0.02%	0.13%	-0.09%	
Merthyr Tydfil	-5.4%	13.3%	24.4%	3.3%	0.00%	0.01%	-0.01%	-0.03%	
Caerphilly	-5.4%	12.7%	25.2%	4.3%	0.00%	0.00%	0.01%	-0.03%	
Blaenau Gwent	-6.1%	12.7%	25.0%	5.9%	-0.02%	0.00%	0.00%	0.03%	
Torfaen	-5.2%	10.1%	18.2%	6.0%	0.01%	-0.08%	-0.21%	0.04%	
Monmouthshire	-4.4%	14.2%	29.9%	4.0%	0.02%	0.02%	0.07%	-0.01%	
Newport	-4.8%	13.4%	22.2%	7.0%	0.03%	0.03%	-0.14%	0.11%	
Cardiff	-5.4%	15.7%	25.7%	4.9%	-0.01%	0.30%	0.07%	0.02%	

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Annex B

Table 3: Exemplification of combined caseload of benefit indicators on the 2022-23 settlement

	2022-23 AEF	Benefits Datasets	Difference (£000s) %	
Isle of Anglesey	114,551	114,526	-26	0.0%
Gwynedd	213,214	213,252	38	0.0%
Conwy	183,311	183,287	-24	0.0%
Denbighshire	173,640	173,654	14	0.0%
Flintshire	232,179	232,118	-60	0.0%
Wrexham	207,064	207,033	-31	0.0%
Powys	210,261	210,324	63	0.0%
Ceredigion	119,421	119,453	32	0.0%
Pembrokeshire	196,257	196,285	28	0.0%
Carmarthenshire	311,603	311,752	149	0.0%
Swansea	386,592	386,662	69	0.0%
Neath Port Talbot	258,073	257,841	-232	-0.1%
Bridgend	232,368	232,219	-149	-0.1%
The Vale Of Glamorgan	186,015	186,090	74	0.0%
Rhondda Cynon Taf	441,441	441,284	-157	0.0%
Merthyr Tydfil	110,617	110,575	-43	0.0%
Caerphilly	317,459	317,426	-33	0.0%
Blaenau Gwent	130,797	130,813	16	0.0%
Torfaen	160,120	160,096	-24	0.0%
Monmouthshire	112,278	112,311	33	0.0%
Newport	265,617	265,747	130	0.0%
Cardiff	544,726	544,856	130	0.0%
Total Unitary Authorities	5,107,603	5,107,603		

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Annex C

Table 4: Combined caseload of benefit indicators by local authority, age group and settlement year

	2021-22 CTRS		2020-21 CTRS		Percentage Change	
	expenditure	caseload	expenditure	caseload	2021-22 CTRS expenditure	2021-22 CTRS caseload
Isle of Anglesey	6,293,928	5,744	6,097,857	5,706	3.2%	0.7%
Gwynedd	9,889,622	8,688	9,615,818	9,442	2.8%	-8.0%
Conwy	11,100,717	9,892	10,693,250	10,871	3.8%	-9.0%
Denbighshire	10,569,301	8,992	9,933,611	9,698	6.4%	-7.3%
Flintshire	11,599,458	10,473	11,264,190	10,881	3.0%	-3.7%
Wrexham	11,641,100	11,097	10,793,550	11,648	7.9%	-4.7%
Powys	10,644,333	9,422	10,447,270	10,214	1.9%	-7.8%
Ceredigion	6,264,194	5,409	5,965,717	5,740	5.0%	-5.8%
Pembrokeshire	9,504,469	9,495	9,519,309	10,225	-0.2%	-7.1%
Carmarthenshire	17,055,247	15,526	16,298,605	16,201	4.6%	-4.2%
Swansea	23,138,915	21,467	22,505,213	22,852	2.8%	-6.1%
Neath Port Talbot	19,007,177	16,382	18,567,205	17,318	2.4%	-5.4%
Bridgend	15,237,098	12,606	14,972,814	13,049	1.8%	-3.4%
The Vale of Glamorgan	11,124,862	9,472	10,575,301	9,754	5.2%	-2.9%
Rhondda, Cynon, Taff	25,150,072	24,082	24,443,448	25,704	2.9%	-6.3%
Merthyr Tydfil	6,742,440	6,058	6,548,517	6,341	3.0%	-4.5%
Caerphilly	15,312,917	16,244	14,722,219	16,714	4.0%	-2.8%
Blaenau Gwent	9,739,938	8,597	9,502,662	9,260	2.5%	-7.2%
Torfaen	10,218,388	9,932	9,891,717	10,389	3.3%	-4.4%
Monmouthshire	7,219,377	5,669	6,886,519	6,168	4.8%	-8.1%
Newport	12,396,582	12,553	12,028,955	13,168	3.1%	-4.7%
Cardiff	34,141,281	29,825	32,671,838	31,661	4.5%	-5.8%

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Annex D

Table 5: Exemplification of combined caseload of benefit indicators and CTRS on the 2022-23 settlement

	2022-23 AEF	Benefits Datasets & CTRS	Difference (£000s) %	
Isle of Anglesey	114,551	114,516	-36	0.0%
Gwynedd	213,214	213,193	-21	0.0%
Conwy	183,311	183,304	-7	0.0%
Denbighshire	173,640	173,887	246	0.1%
Flintshire	232,179	232,069	-109	0.0%
Wrexham	207,064	207,421	357	0.2%
Powys	210,261	210,177	-84	0.0%
Ceredigion	119,421	119,525	104	0.1%
Pembrokeshire	196,257	195,990	-267	-0.1%
Carmarthenshire	311,603	311,905	302	0.1%
Swansea	386,592	386,524	-68	0.0%
Neath Port Talbot	258,073	257,661	-412	-0.2%
Bridgend	232,368	232,003	-365	-0.2%
The Vale Of Glamorgan	186,015	186,240	225	0.1%
Rhondda Cynon Taf	441,441	441,149	-292	-0.1%
Merthyr Tydfil	110,617	110,545	-73	-0.1%
Caerphilly	317,459	317,492	33	0.0%
Blaenau Gwent	130,797	130,728	-69	-0.1%
Torfaen	160,120	160,079	-41	0.0%
Monmouthshire	112,278	112,382	104	0.1%
Newport	265,617	265,701	84	0.0%
Cardiff	544,726	545,114	388	0.1%
Total Unitary Authorities	5,107,603	5,107,603		