## DWP Statistical Summary – Great Britain statistics to January 2016 Early Estimates of Working Age Inactive Benefit Client Groups

This monthly release aims to provide users with an early estimate of the number of people in working age inactive benefit client groups. These <u>official statistics</u> are designed to give indicative, timely information; they are not a substitute for the National Statistics. They will be replaced by the quarterly National Statistics covering the same period when these are published. The National Statistics are the finalised figures.

## Main findings (At the end of January 2016):

Working Age Income Support Lone Parents - EARLY ESTIMATE 420 thousand claimants

ESA / Incapacity Benefits - EARLY ESTIMATE 2.485 million claimants

## ESA / Incapacity Benefits - EARLY ESTIMATE

92.7% of these claimants are in receipt of ESA, IB, SDA, IS or PC<sup>2</sup>

### ESA / Incapacity Benefits - EARLY ESTIMATE

7.3% of these claimants are in receipt of National Insurance Credits only

#### Note:

- 1. August 2015 is the latest National Statistic. Early estimates are rounded to the nearest 5,000.
- 2. Employment and Support Allowance (ESA), Incapacity Benefit (IB), Severe Disablement Allowance (SDA), Income Support (IS), Pension Credit (PC)



down 17 thousand

Since August 2015<sup>1</sup>

down 27 thousand

Since August 2015<sup>1</sup>





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## Introduction

This release contains the latest early estimates on the number of people in working age inactive benefit client groups up to 31<sup>st</sup> January 2016.

#### In this document

The monthly early estimates for working age inactive benefit client groups are primarily sourced from data originally collected via administrative systems and are designed to give indicative, timely information; they are not a substitute for the National Statistics. They will be replaced by the quarterly National Statistics covering the same period when they are published. The National Statistics are the finalised figures.

The Office for National Statistics publishes the claimant count every month, one month in arrears. Consequently, the Early Estimates focus on the economically inactive groups of "incapacity benefits and Employment and Support Allowance" and "Income Support lone parents". The main reason for the lag in the National Statistics release is because we have to wait three months for a small but significant number of late claims to be processed. Waiting for these late claims makes the National Statistics figures more accurate than the early estimates where we simply predict the number of late claims based on historical levels.

To give an indication of their accuracy, over the period October 2014 to September 2015 the early estimates for ESA/IB have been revised by an average of 0.1%, with the biggest revision being 0.3% and the smallest being 0.03%. The early estimates for ISLP have been revised by an average of 0.2%, with the biggest revision being 0.43% and the smallest being 0.01%.

During the re-assessment of Incapacity Benefit claimants for Employment and Support Allowance, users should be aware that there may also be increased uncertainty around these early estimates. As level of late claims is estimated using historical data, any change in the structure of the flows on and off benefit can affect the accuracy of the methodology. DWP plan to review the methodology each month to ensure that the estimates are as good as possible.

More detailed information can be accessed via our technical and question & answer documents.

These statistics were released on 16<sup>th</sup> March 2016 according to the arrangements approved by the UK Statistics Authority.

These statistics were produced in accordance with the Statistics and Registration Service Act 2007 and comply with the Code of Practice for Official Statistics.

This means that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

#### **Supplementary statistics**

National benefit data (from 100% sources) underlying the charts and figures featured in this summary is available via our internet-based <u>100% tabulation tool</u>.

The 100% tabulation tool includes further breakdowns by age, gender, duration of benefit, ethnicity and lower level geography e.g. region, local authority, parliamentary constituency.

Statistics are also released via the NOMIS website and lower geographical statistics are available via the Neighbourhood Statistics website.

## Early Estimates of Employment and Support Allowance/Incapacity Benefits Client Group

An estimate of the number of people claiming Employment and Support Allowance/Incapacity Benefits (in advance of the National Statistics publication)

# Early estimates suggest a fall in the number of working age people claiming ESA/Incapacity Benefits

National Statistics to August 2015 and early estimates: September 2015 to January 2016 Thousands



Table 1.1: Working-age ESA/IB client group August 2014 to	
January 2016	

Time Series	National Statistic	Early Estimate
	Number of Claimants (Thousands)	Number of Claimants (Thousands)
Aug-14	2,508.08	
Nov-14	2,520.27	
Feb-15	2,533.22	
May-15	2,521.17	
Aug-15	2,512.09	
Sep-15		2,505.00
Oct-15		2,500.00
Nov-15		2,495.00
Dec-15		2,500.00
Jan-16		2,485.00

#### **Main Messages**

The working-age ESA/IB early estimate for January 2016 is 2.485 million to the nearest 5,000. This represents a decrease of around 27,000 (1.1 per cent) since August 2015 (the latest National Statistic). As Incapacity Benefit reassessment continues, users should be aware that there may be increased uncertainty around these early estimates. From November 2008 ESA replaced Incapacity Benefit (IB) and Income Support paid on the grounds of incapacity for new claims from 27 October 2008. Prior to this the "incapacity benefits group" referred to claimants of IB or Severe Disablement Allowance including working age people claiming Income Support on the grounds of incapacity.

When the next quarterly National Statistics are published they will be included as a National Statistic in Table 1.1, and the monthly early estimates for this quarter will be removed from Table 1.1.

# These figures are estimates of the final National Statistic, to give an indication of their accuracy, over the past year the early estimates in Table 1.1 have been revised by an average of 0.1 per cent. See <u>here</u> for more information.

These figures are likely to be effected by changes to State Pensions age. Please see the Welfare Reform section of the notes for further information.

## The red dotted line in the charts emphasises that the figures are estimates and official statistics.

## Early Estimates of Employment and Support Allowance/Incapacity Benefits Client Group

## Early estimates suggest a fall in the proportion of working age people claiming National Insurance (NI) credits only

National Statistics to August 2015 and early estimates: September 2015 to January 2016



## Table 1.2: Working-age ESA/IB client group claiming NI credits only August 2014 to January 2016

Time Series	National Statistics Source Data	Early Estimate
	National Insurance Credits Only (Percentage)	National Insurance Credits Only (Percentage)
Aug-14	7.9%	
Nov-14	7.8%	
Feb-15	7.6%	
May-15	7.6%	
Aug-15	7.5%	
Sep-15		7.5%
Oct-15		7.4%
Nov-15		7.3%
Dec-15		7.3%
Jan-16		7.3%

#### **Main Messages**

The working-age ESA/IB early estimate for January 2016 has decreased by around 27 thousand since August 2015 (the latest National Statistic).

In January 2016 approximately 92.7% of claimants were in receipt of benefit payments from Incapacity Benefit, Severe Disablement Allowance, Employment and Support Allowance, Income Support or Pension Credit.

The remaining **7.3% received National Insurance credits only** (i.e. no payment of IB, SDA, ESA, IS, PC). A noticeable rise in the proportion of claimants receiving National Insurance credits was seen in May 2012. This is due to the introduction of a 365 day limit on receipt of contribution based ESA for those in the Work Related Activity Group on 1 May 2012

When the next quarterly National Statistics figure is available they will be included in Table 1.2, and the monthly early estimates for this quarter will be removed from Table 1.2.

## The red dotted line in the charts emphasises that the figures are estimates and official statistics.

## Early Estimates of Income Support Lone Parent (ISLP) Client Group

An estimate of the number of working age people claiming Income Support (with a child under 16 and no partner) in advance of the National Statistics publication.

# Early estimates suggest a continued fall in the number of people in the Income Support Lone Parent client group

National Statistics to August 2015 and early estimates: September 2015 to January 2016 Thousands



Time Series	National Statistic	Early Estimate
_	Number of Claimants (Thousands)	Number of Claimants (Thousands)
Aug-14	470.82	
Nov-14	455.53	
Feb-15	448.11	
May-15	441.62	
Aug-15	437.38	
Sep-15		435.00
Oct-15		430.00
Nov-15		425.00
Dec-15		425.00
Jan-16		420.00

#### Table 2.1: ISLP client group August 2014 to January 2016

#### **Main Messages**

The working-age ISLP early estimate for January 2016 is 420 thousand to the nearest 5,000. This represents a fall of around 17,000 (4.0 per cent) since August 2015 (the latest National Statistic).

The figures are estimates of the final National Statistic, to give an indication of their accuracy, over the past year the early estimates have been revised by an average of 0.2 per cent. See <u>here</u> for more information.

The number of lone parents claiming Income Support has been affected by the Lone Parent Obligations policy changes which came into effect from 24 November 2008. As a result, new and repeat claimants with the following conditions were no longer entitled to Income Support:

- A youngest child aged 12 or over from November 2008;
- A youngest child aged 10 or over from October 2009;
- A youngest child aged 7 or over from October 2010.

# The Welfare Reform Act 2012 introduced further changes and from May 2012 lone parents are only eligible to claim Income Support until their youngest child is five years old.

The age at which men and women reach State Pension age is gradually increasing. This will introduce a small increase to the number of working age benefit recipients and a small reduction to the number of pension age recipients.

When the next quarterly National Statistics are published they will be included as a National Statistic in Table 2.1, and the monthly early estimates for this quarter will be removed from Table 2.1.

The red dotted line in the chart emphasises that the figures are estimates and official statistics.

## Notes

#### 1. Known Issues, Changes and Revisions

No changes.

### 2. DWP Benefits Statistics

Our Uses and users, Methodology, Quality and Background information notes provide further information on DWP National and official benefit statistics, including some of the processes involved in developing and releasing these statistics: <u>https://www.gov.uk/government/statistics/dwp-statistical-summary-policies-and-statements</u>

### 3. Other National and Official Statistics

Details of other National and Official Statistics produced by the Department for Work and Pensions can be found on Gov.uk via the following link:

• A schedule of statistical releases and a list of the most recent releases: https://www.gov.uk/government/organisations/department-for-work-pensions/about/statistics

## 4. Feedback

DWP would like to hear your views on our statistical publications. If you use any of our statistics publications, we would be interested in hearing what you use them for and how well they meet your requirements. Please email DWP at <u>stats-consultation@dwp.gsi.gov.uk</u>.

An on-going questionnaire, enabling DWP to target future consultations at interested users; shaping the future direction of statistics development to address user needs; and helping ensure value for money, whilst giving users a structured way of expressing their views is available at: https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/205190/statistical\_summary\_guestionnaire.doc

Completed questionnaires can be returned by e-mail to <u>stats-consultation@dwp.gsi.gov.uk</u> or by post to the following address: Dissemination Team Data and Analytics Department for Work and Pensions Room BP5201 Benton Park Road Longbenton NEWCASTLE UPON TYNE NE98 1YX

Users can also join the "Welfare and Benefit Statistics" community at: <u>http://www.statsusernet.org.uk</u> DWP announces items of interest to users via this forum, as well as replying to users' questions.