

# Duration on working-age benefits, Great Britain

**April 2016** 

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This publication has been developed to provide an update to indicator 4 of the Social Justice Outcomes Framework: Tackling Entrenched Worklessness. The social justice outcomes framework was originally published in October 2012. The indicator focused on those capable of work and work related activity with the benefits indicating a capacity for work. These benefits are Jobseekers Allowance (JSA), Employment Support Allowance Work Related Activity Group (ESA-WRAG) ESA assessment phase (ESA AP) and Income Support for Lone Parents.

In June 2015 the Government announced a new and strengthened approach to tracking the life chances of disadvantaged children. This included the publication of a Life chances Strategy with key indicators including an indicator of Workless Families. Given the overlap with the old Social Justice Outcomes Framework we will be reviewing the need for this publication to continue. We'd welcome user views on how they use the statistics and which aspects they find most useful.

This publication does not consider individuals in receipt of Universal Credit (UC).

Universal Credit is a new benefit which aims to reduce poverty, by making work pay, and to help claimants and their families to become more independent. It also aims to simplify the benefits system by providing a single payment based upon the circumstances of the household. Support for housing costs, children and childcare costs are integrated in the new benefit. It also provides additions for disabled people and carers. A key difference between UC and the current welfare system is that UC is available to people who are in work and on a low income, as well as to those who are out-of-work.

The following benefits will be abolished as UC rolls out:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance

- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

UC is available in a number of areas across England, Scotland and Wales. Its roll out to the whole of the North West of England was completed on 15th December 2014. From 30th June 2014 UC expanded to include new claims from couples and from 24th November 2014 to new claims from families. UC continued its roll out to all Jobcentre Plus offices and local authorities across the country on 16th February 2015. By the 3rd March 2016, 659 Jobcentre Plus offices have started to introduce information UC found UC. Latest on statistics can here: https://www.gov.uk/government/collections/universal-credit-statistics

Provisional figures show that 203,392 people were on the UC caseload, as of 11th February 2016.

Of these, 80,363 (or 40 per cent) were in employment and 123,026 (or 60 per cent) were not in employment.

Of the 123,026 not in employment:

52,335 (or 43 per cent) had been on UC for up to 3 months;

28,295 (or 23 per cent) had been on UC for between 3 and 6 months;

42,401 (or 34 per cent) had been on UC for 6 months or more.

These durations will be largely driven by the UC roll-out timetable and are not comparable to the key statistics outlined in this publication

### Summary

- On 31 March 2015, 7.2 per cent of the working-age population of Great Britain had been claiming working-age benefits<sup>1</sup> for at least three out of the previous four years. This proportion was down 0.3 percentage points compared to the year before, and down 1.2 percentage points against 2006.
- On 31 March 2015, 3.1 per cent of the working-age population were claiming Jobseekers' Allowance (JSA), Employment Support Allowance Assessment Phase (ESA AP), Employment Support Allowance Work Related Activity Group (ESA WRAG) or Income Support for Lone Parents<sup>2</sup> (ISLP) and had been claiming working-age benefits for at least three out of the past four years. This is an annual decrease of 0.5 percentage points, from 3.7 per cent on 31 March 2014 to 3.1 per cent on 31 March 2015. This rate had been increasing since 2008 until 2013, where it reached a peak of 4 per cent. This period coincided with the introduction of ESA, and the gradual transition of claimants receiving predecessor incapacity benefits to the ESA Assessment Phase, the ESA Work Related Activity Group and, in some cases, JSA.

#### Methodology

This publication looks at a snapshot of claimants on 31<sup>st</sup> March of each year and examines the total duration those individuals had spent in receipt of one or more of the main DWP working-age benefits over the preceding four years.

To calculate this we:

 Used the National Benefits Database<sup>3</sup> (NBD) to identify claimants who were in receipt of one of the main DWP working-age benefits on 31<sup>st</sup> March of each year from 2006 to 2015;

 Included only those who were aged 18 to 59 throughout the entire four year period.<sup>4</sup> This means we only include those who were aged 22 to 59 on 31<sup>st</sup> March

<sup>1</sup> Jobseekers' Allowance (JSA), Incapacity Benefit (IB) / Severe Disablement Allowance (SDA), Employment and Support Allowance (ESA) and Income Support (IS).

<sup>&</sup>lt;sup>2</sup> We have compiled this data to be consistent the DWP's tabtool. This data includes all claimants who are claiming Income Support with a child under 16 and no partner.

<sup>&</sup>lt;sup>3</sup>The NBD is a database of all DWP benefits paid to customers. The 2013-15 values use the NBD released on September of the relevant year and therefore have been calculated on the basis of a claimant's status as recorded at this time. This means 2013 data onwards does not take account of any subsequent revisions made to a claimant's benefits status e.g. due to retrospective amendments reflecting the outcome of an ESA Assessment Phase decision, or a successful appeal by the claimant against an original benefit decision. Values prior to 2013 use the NBD released at September 2013 and will capture the majority of revisions where these have occurred i.e. not necessarily reflect all claimants' benefit status as recorded at 31<sup>st</sup> March of the relevant year. This is likely to have only a very small effect on the rates presented in tables 3 and 4.

2015. This ensures that no-one was under 18 years old at the start of the four year period so that we only consider those who could have spent the entire four year period on one of the main DWP working-age benefits<sup>5</sup>;

- Ensured that where people were claiming more than one benefit at a time (e.g. Income Support and Incapacity Benefit), we only counted one spell on benefits;
- Summed the total period spent on one or more of the main DWP working-age benefits over the four years for each claimant. This might include multiple separate spells on benefit. We used this to calculate the proportion of the previous four years that these individuals had been in receipt of any of these benefits.

This analysis is then repeated looking at claimants who are in receipt of a subset of benefits as of 31<sup>st</sup> March each year.

Not all of the time spent on benefit will have been built up during the current benefit claim or on the current benefit. For example, a lone parent who has moved over from Income Support to JSA in the last six months may have spent all of the last four years claiming benefits, but only the last six months on JSA. Within the individual benefit breakdown in this analysis this person would be classified as a recipient of JSA on 31<sup>st</sup> March 2015.

Local Authority breakdown methodology:

Figures were then broken down by each local authority in Great Britain. The local authority used to break down these figures was based on the claimant's home address as recorded on the NBD.

- In some cases it was not possible to resolve the claimant's address to a single local authority area. The number of cases where the local authority is unknown, and cannot be determined based on the information contained in the NBD, is shown in the accompanying tables.
- The address used to break down the figures is that recorded on the NBD. This is the latest (or last) address recorded for that benefit claim at the point that the data was compiled. In a number of cases the claimant may have moved address after 31<sup>st</sup> March 2015. In such cases the NBD will show the claimant's later address, rather than where they were living on 31<sup>st</sup> March 2015.

<sup>&</sup>lt;sup>4</sup> The upper age limit reflects that up to 2010 women were able to access state pension at the age of 60. For consistency we have not adjusted this age limit, however we will review this in future releases.

<sup>&</sup>lt;sup>5</sup> Although some 16 and 17 year olds are able to claim DWP benefits in some specific situations, many will not meet the conditions for eligibility. Therefore we assume that most people do not become eligible to claim benefits until they are 18 so the analysis excludes anyone under the age of 22.

#### Results

#### Time spent on all main working-age benefits

Table 1 presents the total number of claimants on 31<sup>st</sup> March 2015 by the proportion of time spent on working-age benefits<sup>6</sup> over the preceding four years, from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2015. For example, of those on working-age benefits on 31<sup>st</sup> March 2015, 68.8 per cent, or around 2.3 million individuals<sup>7</sup>, have been claiming such benefits for at least three out of the preceding four years.

The data has been broken down to show the proportion of time spent on working-age benefits by benefit received on 31<sup>st</sup> March 2015. For example, of those on one of the main DWP working-age benefits on 31<sup>st</sup> March 2015 (around 3.3 million), 8.2 per cent were currently on Jobseekers' Allowance (JSA) and had been on one of the main DWP working-age benefits for at least three of the preceding four years.

Table 1: Claimants as of 31 March 2015 by current benefit type and total duration
spent on one of the main working-age benefits from 1 April 2011 to 31 March
2015, Great Britain (GB)

	0-25%	25-50%	50-75%	75-100%	Total
	(up to 1 year)	(1 to 2 years)	(2 to 3 years)	(3 to 4 years)	
Working age benefit claimants, 31 March					
2015	379,000	308,000	352,000	2,289,000	3,328,000
Proportion of claimants	11.4%	9.3%	10.6%	68.8%	100.0%
Of which are currently					
on:					
JSA	5.0%	2.9%	2.9%	8.2%	19.0%
IS (2)	4.8%	4.5%	5.3%	49.7%	64.2%
Incapacity benefits (ESA/IB/SDA) (3)	1.6%	1.9%	2.4%	10.9%	16.8%

Source: DWP National Benefits Database September 2015, GB

- (1) The main working age benefits are JSA, IB / SDA, ESA and IS. Figures include some people working less than 16 hours and on one of the benefits listed.
- (2) IS excludes people who are both on IS and IB/SDA.
- (3) Incapacity benefits include ESA, IB/SDA and claimants on a combination of IS and IB/SDA. IB/SDA includes people on IS and IB/SDA.
- (4) Values are rounded to the nearest 1,000 and percentages rounded to one decimal place. Totals may not be the sum of the individual cells due to rounding.

<sup>6</sup> The main working age benefits include JSA, IB / SDA, ESA, and IS. Figures include some people working less than 16 hours and on one of the benefits listed.

<sup>&</sup>lt;sup>7</sup> Some individuals may be making a claim on behalf of a partner as well as themselves. This is not accounted for in the figures presented here. As such, all figures represent the lower bound of the number of individuals.

## <u>Time spent on selected working-age benefits (JSA, ESA AP, ESA WRAG and ISLP)</u>

Table 2 shows the proportion of time spent on one of the main DWP working-age benefits for those receiving one of the following:

- JSA:
- ESA AP and ESA WRAG only, and;
- ISLP.

From Table 2 we can see that of the 1.7 million claimants receiving one of these benefits as at 31<sup>st</sup> March 2015, just less than 1 million had been claiming one or more of the main DWP working-age benefits for at least three of the preceding four years.

Table 2 also breaks down duration on working age benefits from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2015 by the specific benefit claimed on 31<sup>st</sup> March 2015. For example, 16 per cent of all of the claimants claiming either JSA, ESA AP, WRAG or ISLP on 31<sup>st</sup> March 2015 were claiming JSA and had been receiving one or more of the main DWP working-age benefits for at least three of the preceding four years.

As explained in the methodology section, a person currently in the ESA AP that has spent at least three of the preceding four years on benefit may have built up the majority of that time claiming another benefit such as IB.

Table 2: JSA, ESA (AP and WRAG) and lone parent IS claimants on 31 March					
2015, by proportion of time spent on one of the main DWP working-age benefits					
from 1 April 2010 to 31 March 2015, GB					
	0-25%	25-50%	50-75%	75-100%	Total
	(up to 1	(1 to 2	(2 to 3	(3 to 4	
	year)	years)	years)	years)	
Claimants on JSA, ESA					
AP and WRAG, ISLP on					
31 March 2015	286,000	208,000	227,000	982,000	1,702,000
Proportion of claimants	16.8%	12.2%	13.3%	57.7%	100.0%
Of which are currently on:					
JSA	9.8%	5.6%	5.6%	16.0%	37.1%
ESA assessment phase	3.9%	2.6%	2.4%	6.2%	15.1%
ESA WRAG	0.7%	1.0%	1.6%	20.7%	24.0%
IS Lone Parents	2.4%	3.0%	3.6%	14.8%	23.8%

Source: DWP National Benefits Database September 2015, GB

- (1) Figures include some people working less than 16 hours and on one of the benefits listed.
- (2) Figures only include those who are aged 22 to 59 on 31st March 2015
- (3) Values are rounded to the nearest 1,000 and percentages rounded to one decimal place. Totals may not be the sum of the individual cells due to rounding.

## <u>Time series from 2006 to 2015 – claimants currently in receipt of a main working-age benefit who have been on one or more working-age benefit for at least three out of previous four years</u>

Table 3 presents the time series of the number of live claims for the main DWP working-age benefits on 31<sup>st</sup> March where the claimant had been claiming one or more such benefits for at least three of the preceding four years. It shows that in 2015 the 2.3 million individuals who were claiming one or more of the main working age benefits for at least three of the preceding four years represented 7.2 per cent of the total working age population aged 22 to 59. Between 31<sup>st</sup> March 2014 and 31 March 2015 this proportion has fallen by 0.3 percentage points, from 7.6 per cent to 7.2 per cent.

Table 3: Claimants of DWP main working-age benefit claimants on 31 March of each year, 2006 to 2015, who had been in receipt of one of the main working-age benefits for at least three out of the preceding four years. GB

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	Number of claimants in receipt of one or more of the main working-age		
	DWP benefits as at 31 March who		
	had been in receipt of one or more		Number of
	of the main working age DWP		claimants, as
	benefits (1) for a total period of at	Estimate of	a percentage
	least three out of the preceding four	population 22-59	of the
	years	(million)	population
2006	2,564,000	30.1	8.5%
2007	2,529,000	30.2	8.4%
2008	2,469,000	30.3	8.2%
2009	2,456,000	30.4	8.1%
2010	2,472,000	30.5	8.1%
2011	2,467,000	30.7	8.0%
2012	2,512,000	31.0	8.1%
2013	2,489,000	31.1	8.0%
2014	2,381,000	31.5	7.6%
2015	2,289,000	31.6	7.2%

Source: benefit data is from the National Benefits Database, GB.

Population estimates are from the Annual Population Survey (APS), April to March of the relevant year i.e. 2015 is based on APS April 2014 to March 2015.

- (1) The main working age benefits are JSA, IB / SDA, ESA and IS. Figures include some people working less than 16 hours and on one of the benefits listed.
- (2) Figures only include those who are aged 22 to 59 on 31st March 2015
- (3) Values are rounded to the nearest 1,000 and percentages rounded to one decimal place. Totals may not be the sum of the individual cells due to rounding.
- (4) Some figures may differ from pre 2014 releases. This is due to; (i) revisions as a result of using an updated NBD release and; (ii) using the Annual Population Survey (APS) to calculate population estimates, rather than the Labour Force Survey (LFS).

Time series from 2006 to 2015 – claimants currently in receipt of a working-age benefit which indicates a capacity for work or work-related activity (JSA, ESA AP, ESA WRAG, ISLP) who have been claiming one or more working-age benefit for at least three out of previous four years

Table 4 shows the time series of the number of live claims for JSA, ESA AP, ESA WRAG or ISLP on 31<sup>st</sup> March in which the claimant had been claiming one or more of the main working age benefits for at least three of the preceding four years. On 31<sup>st</sup> March 2015 this number was 982,000 individuals; representing 3.1 per cent of the GB population aged 22-59. It should be noted that the figures in this Table represent a subset of those in Table 3.

These figures show that the proportion of the GB population aged 22-59 who were claiming one of this selected subset<sup>8</sup> of working-age benefits which indicate a capacity for work or work-related activity on 31<sup>st</sup> March of each year, and who had been claiming one of the main DWP working-age benefits for at least three of the preceding four years, had been increasing from 2008 to 2013. This increase coincided with the introduction of ESA, and the transition of claimants receiving predecessor incapacity benefits to the ESA AP, the ESA WRAG and, in some cases, JSA.

Table 4: Selected working-age benefit claimants on 31 March of each year, 2006 to 2015 who had been in receipt of one or the main DWP working-age benefits for at least three of the preceding four years, GB

	Number of claimants in receipt of <b>JSA</b> ,	Estimate of	
	ESA (Assessment Phase or WRAG)	population	
	or ISLP (1) as at 31 March, who had	aged 22-59	Number of
	been in receipt of one or more of the	throughout	claimants, as
	main working-age DWP benefits for a	the four year	a percentage
	total period of at least three of the	period	of the
	proceeding four years	(million)	population
2006	660,000	30.2	2.2%
2007	652,000	30.4	2.1%
2008	619,000	30.5	2.0%
2009	634,000	30.6	2.1%
2010	694,000	30.7	2.3%
2011	723,000	30.9	2.3%
2012	963,000	31.1	3.1%
2013	1,244,000	31.2	4.0%
2014	1,148,000	31.4	3.7%
2015	982,000	31.6	3.1%

Source: benefit data is from the National Benefits Database, GB.

Population estimates are from the Annual Population Survey (APS), April to March of the relevant year i.e. 2015 is based on APS April 2014 to March 2015.

(1) Figures include some people working less than 16 hours and on one of the benefits listed.

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<sup>&</sup>lt;sup>8</sup> JSA, ESA (Assessment Phase or WRAG) or ISLP

- (2) Figures only include those who are aged 22 to 59 on  $31^{\rm st}$  March 2015
- (3) Values are rounded to the nearest 1,000 and percentages rounded to one decimal place. Totals may not be the sum of the individual cells due to rounding.
- (4) Some figures may differ from previous year's releases. This is due to; (i) revisions as a result of using an updated NBD release and; (ii) using the Annual Population Survey (APS) to calculate population estimates, rather than the Labour Force Survey (LFS).

# <u>Time series from 2006 to 2015 – percentage breakdown of benefit groups who have been claiming one or more working-age benefit for at least three out of previous four years</u>

Table 5 shows the percentage breakdown of benefit groups as at 31 March each year, 2006 to 2015, who had been in receipt of one or more of the main working age DWP benefits for a total period of at least three out of the preceding four. It shows that the percentage of this group that are claiming a working age benefit which indicates capacity for work or work-related activity (JSA, ESA AP, ESA WRAG or ISLP) at 31<sup>st</sup> March in each year has risen from 26% in 2006 to 50% in 2013. This has now fallen to 43% in 2015.

Table 5: The Percentage breakdown of benefit groups at 31 March each year,
2006 to 2015, who had been in receipt of one or more of the main working age
DWP benefits for a total period of at least three out of the preceding four years,
GB

Number of claimants in receipt of one		
		% of these
		claiming ESA
benefits as at 31 March who had been	•	Support Group,
in receipt of one or more of the main	ESA (AP,	IB, SDA, IS Not
working age DWP benefits (1) for a	WRAG), ISLP	for Lone
total period of at least three out of the	on 31 March	Parents on 31
preceding four years	2015	March 2015
2,564,000	26%	74%
2,529,000	26%	74%
2,469,000	25%	75%
2,456,000	26%	74%
2,472,000	28%	72%
2,467,000	30%	70%
2,512,000	40%	60%
2,489,000	50%	50%
2,381,000	48%	52%
2,289,000	43%	57%
	or more of the main working-age DWP benefits as at 31 March who had been in receipt of one or more of the main working age DWP benefits (1) for a total period of at least three out of the preceding four years  2,564,000  2,529,000  2,469,000  2,456,000  2,472,000  2,467,000  2,512,000  2,489,000  2,381,000	or more of the main working-age DWP benefits as at 31 March who had been in receipt of one or more of the main working age DWP benefits (1) for a total period of at least three out of the preceding four years 2015  2,564,000 26%  2,469,000 26%  2,456,000 26%  2,472,000 26%  2,472,000 28%  2,467,000 30%  2,489,000 50%  2,489,000 50%  2,381,000 48%

Source: benefit data is from the National Benefits Database, GB. As explained in methodology section the 2006 to 2013 figures are based on September 2013 NBD and the 2014-15 data on the NBD from September that year.

- (1) Figures include some people working less than 16 hours and on one of the benefits listed.
- (2) Figures only include those who are aged 22 to 59 on 31st March 2015
- (3) Values are rounded to the nearest 1,000 and percentages rounded to the nearest whole number. Totals may not be the sum of the individual cells due to rounding.

#### **Local Authority Breakdown**

Published alongside this release, this section gives details of the number of claimants who were on one or more of the main DWP working-age benefits <sup>9</sup> as of 31<sup>st</sup> March 2015, for each local authority in Great Britain. The analysis also gives the number who had been in receipt of one or more of the main DWP working-age benefits for at least three out of the previous four years. Figures have been further broken down based on the benefit that the claimant was in receipt of as of 31<sup>st</sup> March 2015.

- o The local authority used to break down these figures has been derived based upon the claimant's home address.
- The statistical tables accompanying this document are at the following link: <a href="https://www.gov.uk/government/collections/duration-on-working-age-benefits-statistics">https://www.gov.uk/government/collections/duration-on-working-age-benefits-statistics</a>
- See Methodology section for details on the approach taken.
- o For each local authority in Great Britain, table 1 shows as of 31<sup>st</sup> March 2015:
  - i. The number of claimants on one or more of the main DWP working-age benefits (JSA, IS, ESA/IB/SDA) at 31 March 2015.
  - ii. The number of these claimants who have been on one or more of these benefits for a total period equivalent to at least three out of the previous four years.
  - iii. Of (ii), the number in receipt of
    - 1. JSA;

2. IS (excludes claimants on both IS and IB/SDA);

- 3. ESA/IB/SDA (includes claimants on both IS and IB/SDA).
- o For each local authority in Great Britain, table 2 shows as of 31st March 2015:
  - i. The total number of claimants recorded as being on a working-age benefit which indicates a capacity for work or work-related activity (Jobseeker's Allowance (JSA), the Employment and Support Allowance Assessment Phase (ESA AP), or in the Work Related Activity Group (ESA WRAG), or Income Support for Lone Parents (ISLP)) at 31<sup>st</sup> March 2015.
  - ii. The number of these claimants who have been on one or more of the main DWP working-age benefits for a total period equivalent to at least three out of the previous four years.

<sup>&</sup>lt;sup>9</sup> Jobseeker's Allowance, Income Support, Employment & Support Allowance, Incapacity Benefit and Severe Disablement Allowance.

iii. Of (ii), the number in receipt of

- 1. JSA;
- 2. ESA AP:
- 3. ESA WRAG;
- 4. ISLP (excludes claimants on both IS and IB/SDA.).

O Tables 3 and 4 contain the figures detailed above for tables 1 and 2 respectively, for those claiming a main DWP working-age benefit as of 31<sup>st</sup> March 2015.

All figures in the spreadsheet have been rounded to the nearest 10. Therefore the totals may not add up.

Each table also includes the population estimates for those aged 22-59 for each Local Authority. This is to enable calculations of these statistics as a percentage of the equivalently aged population. These are estimated using the Annual Population Survey (APS), April 2014 to March 2015 (in tables 1 and 2) and the APS, April 2013 to March 2014 (in tables 3 and 4).

The Annual Population Survey provides more robust estimates of population sizes at the Local Authority level compared to the Labour Force Survey. For Local Authority level population estimates the recommended source is the ONS Population Estimates <sup>10</sup> as it provides more robust estimates, despite being less timely. However, for consistency with the working-age benefit population aged between 22 and 59, we have used the Annual Population Survey in this publication. These population estimates have been rounded to the nearest 100 and any figure less than 10,000 has been excluded due to sample data protocols.

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Other National Statistics publications and general information about the official statistics system of the UK are available from <a href="https://www.statistics.gov.uk">www.statistics.gov.uk</a>

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<sup>&</sup>lt;sup>10</sup> <u>http://www.ons.gov.uk/ons/rel/pop-estimate/population-estimates-for-uk--england-and-wales-scotland-and-northern-ireland/2013/index.html</u>