

Welfare Reform Benefits Briefing – Northumberland

This briefing provides an overview of National Statistics on DWP administered benefits and sanctions, together with HMRC tax credit awards. Statistics on Housing Benefit (administered by Local Authorities) are also included together with Experimental Statistics on Universal Credit, Personal Independence Payment and the Benefits Cap. Date reference is latest available.

Main findings for Northumberland

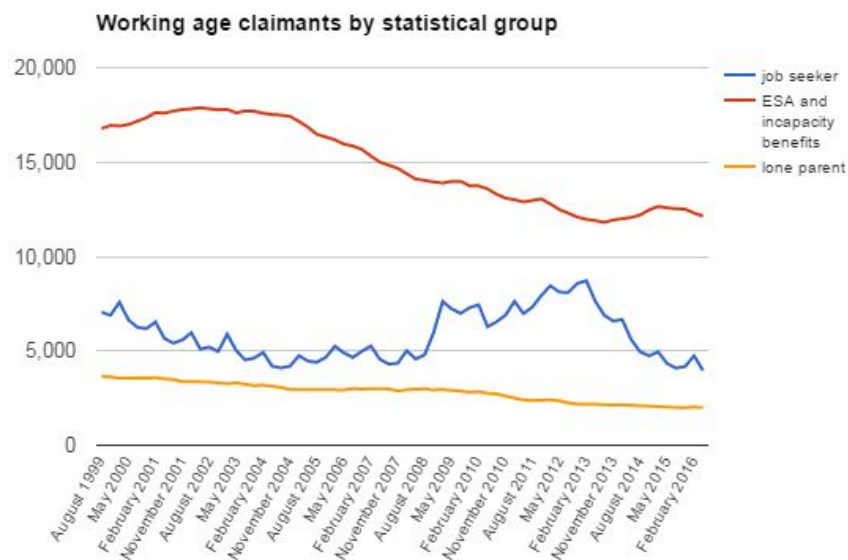
Jobseekers Allowance 3,060 claimants in August 2017	▼	down 540 compared with August 2016
Employment and Support Allowance/Incapacity Benefits 12,030 claimants at August 2017	▼	down 280 compared with August 2016
Income Support 3,260 claimants at August 2017	▼	down 180 compared with August 2016
Housing Benefit 21,895 recipients in November 2017	▼	down 750 compared with November 2016
Personal Tax Credits 20,100 families were awarded Child or Working Tax Credit in 2015/16	▼	down 500 compared with 2014/15
Disability Living Allowance 11,904 people in payment for DLA in the three months to August 2017	▼	down 3,456 compared with August 2016
Personal Independence Payments 9,160 people were claiming PIP in October 2017	▲	up 3,487 compared with October 2016
JSA Sanctions From April 2000 to October 2017, 31,793 individuals have had a sanction decision (10,023 under new regime). A total of 85,142 decisions have been made on these individuals (24,993 under new regime).		
ESA Sanctions From October 2008 to October 2017, 793 individuals have had a sanction decision (549 under new regime). A total of 1,401 decisions have been made on these individuals (1056 under new regime).		
Universal Credit First 5 people went live, June 2015, a year later, in June 2016, 624. In December 2017, 2,492 people were on UC, of those 1,446 (58%) were not in employment.		
Benefits Cap 480 households have been subject to the benefits cap since April 2013 to November 2017.		

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1.1 National Statistics – Working age client group

This dataset was discontinued at May 16 - a new Benefit Combination dataset was issued for August 2017 but no geographical breakdown available below GB as yet. The overall trend in reduction of working age claimants continues.

Combines data collected for DWP working age benefits i.e. Jobseeker's Allowance (JSA), Incapacity Benefit, Employment and Support Allowance, Severe Disablement Allowance, Disability Living Allowance, Carer's Allowance, Widow's Benefit, Bereavement Allowance and Income Support for working age claimants (including Pension Credit for males under State Pension age). The client group data does not currently include Personal Independence Payment and Universal Credit. Analysis by statistical group presents each person by the main reason (most benefit) they receive.



Main messages

Both Jobseekers and Lone Parents statistical groups are decreasing (the Jobseekers group at a much faster rate). After a period of decline, the ESA and incapacity benefits statistical group has fluctuated over the past couple of years.

Between August 1999 and November 2008, the number of jobseekers in Northumberland mostly remained between 4 and 6 thousand, and fell from a high of 7,050 in 1999 to 5,980 at the end of 2008. A sharp increase during 2009 triggered a period of higher volumes of claims, reaching a record high of 8,720 in 2013. Numbers have fallen sharply since then to **3,508 jobseekers in October 2016**.

The number of claimants in the Lone Parent client group fell from 3,660 to its' lowest level of 1,990 between August 1999 and November 2015. The latest figure, for May 2016 was 2,000, however some lone parents may fall in other groups.

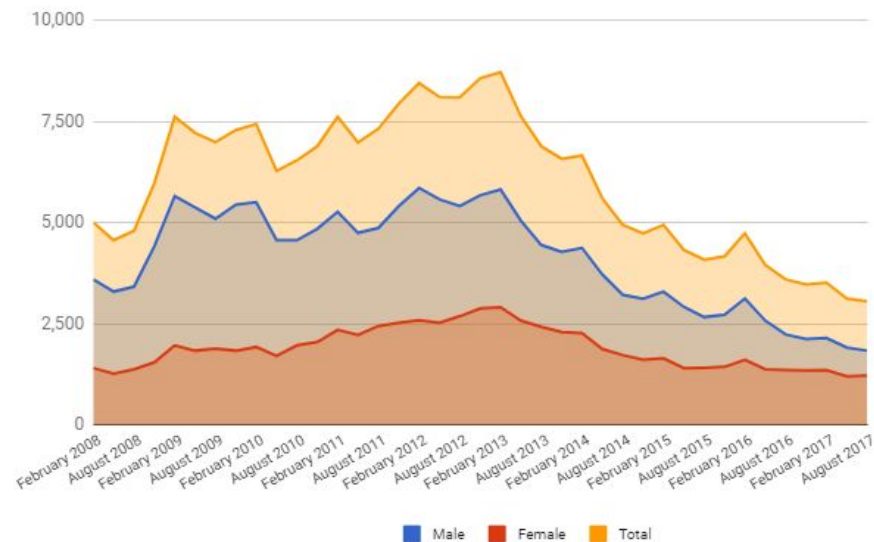
The number of working age claimants of **Employment and Support Allowance (ESA) and incapacity benefits totals 12,140 at May 2016**. This shows an increase of 440 since the same time last year.

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1.2 National Statistics – Jobseeker’s Allowance

Jobseeker’s Allowance (JSA) was introduced on 7th October 1996 and has both contributory and income-related elements. It is paid to people under state pension age who are available for and actively seeking work.

JSA Claimants



Main messages

The DWP figures show the **total number of Jobseeker’s Allowance claimants at August 2017 was 3,060. Female claimants represented 40%** of the total number of JSA claimants (**1,220**), while **males represented 60% (1,840)**.

The August 2017 figure was the lowest on record for Northumberland, with numbers reducing by almost two thirds since late 2012-13 when welfare reform began to take effect.

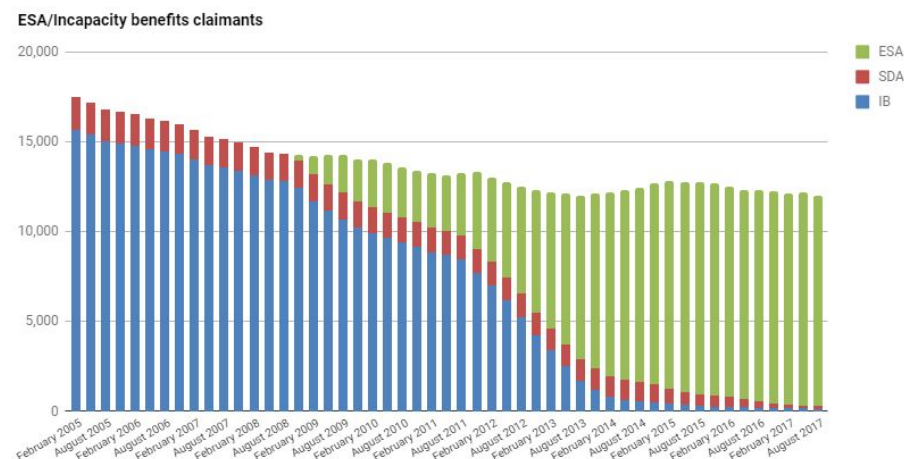
A ‘new style’ JSA is available in Universal Credit full service areas. Under certain criteria it can be claimed alone or Universal Credit will be reduced by the JSA amount. Contribution-based JSA is based on Class 1 National Insurance contributions. This is usually in the 2 tax years before the current benefit year. Income-based JSA is for those who work less than 16 hours per week on average, those whose partner works less than 24 hours per week on average and those couples who have £16,000 or less in savings. If a person has never been in work they can only claim income-based JSA. Income-based JSA and [Universal Credit](#) cannot be claimed at the same time.

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1.3 National Statistics – Employment and Support Allowance and incapacity benefits

From 27th October 2008, Employment & Support Allowance (ESA) replaced Incapacity Benefit (IB) and Income Support (IS) paid on the grounds of incapacity for new claims. Incapacity benefits consist of Incapacity Benefit (introduced on 13th April 1995 and paid to people who are incapable of work and who have paid sufficient contributions throughout their working life) and Severe Disablement Allowance (SDA). This section includes a small number of claimants over State Pension age; therefore figures may differ to those in section 1.1 which refer to working age claimants only. Between October 2010 and Spring 2014 most claimants who received IB, SDA and IS paid on the grounds of illness or disability were assessed to see if they qualified for ESA. If they qualified for ESA their IB, SDA or IS claim converted into an ESA claim. For claimants who were previously in receipt of IB or SDA, their benefit was converted to contributory ESA; if they were previously in receipt of IS their benefit was converted to income-related ESA. In the same way as with IB, contributory ESA can be paid with an income-related top up and a transitional addition if appropriate.

The government has limited the period for which contribution-based ESA can be paid in some circumstances. These changes came into effect on 1st May 2012. Claimants who have already received 365 days of contribution-based ESA saw their entitlement end on 30th April 2012.



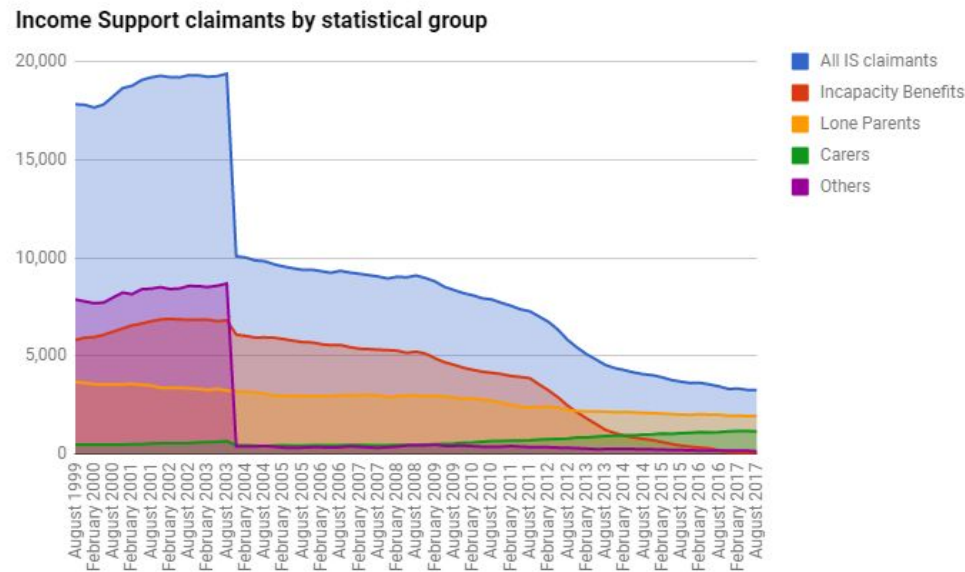
Main messages

At August 2017, there were 12,030 claimants of Employment and Support Allowance and incapacity benefits (Incapacity Benefit or Severe Disablement Allowance), a decrease of 280 on a year earlier. 52% of claimants were men and 48% women.

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1.4 National Statistics – Income Support

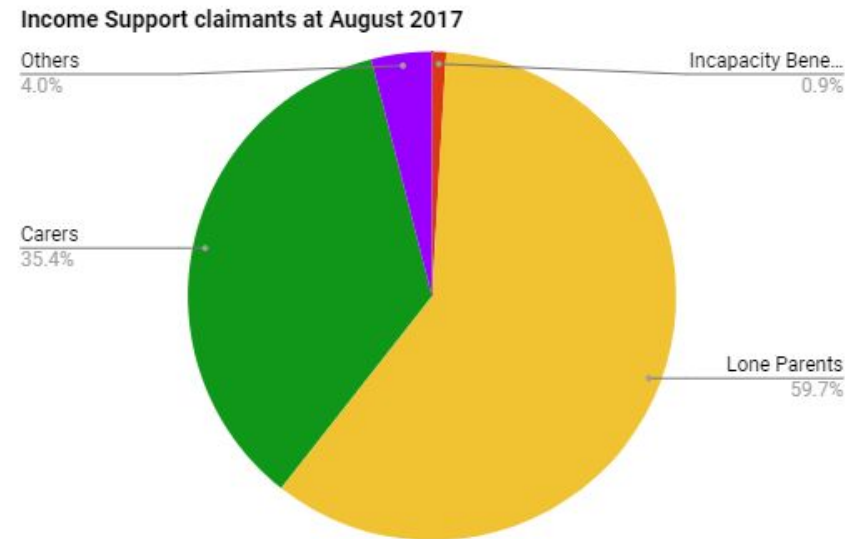
Income Support (IS) was introduced on 11th April 1988 and is an income-related benefit that can be claimed by adults under state pension age that work fewer than 16 hours a week and have insufficient income to meet their needs. Prior to the introduction of Pension Credit in October 2003, IS was available to people aged 60 and over. From 27th October 2008, Employment and Support Allowance (ESA) replaced Incapacity Benefit and Income Support paid on the grounds of incapacity for new claims. The Lone Parent Obligation policy came into effect from 24th November 2008; Lone Parents (LPs) with a youngest child aged 12 or over were no longer able to make a new or repeat claim for Income Support (IS) solely on the basis of their parental status. Existing IS LPs with a youngest child aged 12 or over had their eligibility removed over a period of time commencing 2nd March 2009. From October 2009 this policy was extended to LPs with a youngest child aged 10 or 11 and from October 2010 the policy was extended to LPs with a youngest child aged 7 or over. The Welfare Reform Act 2012 introduced further changes and from 21st May 2012 LPs are eligible to claim IS until their youngest child is 5 years old.



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Main messages

The number of people on Income Support continues to decrease, largely due to the decrease in those claiming Incapacity Benefit. At August 2017, the total number of Income Support claimants was 3,260. Lone Parents (all single claimants with dependents under 16, excluding claimants of incapacity benefits) represented 60% of the IS caseload (1,940). Claimants of Incapacity Benefits represented just 1% of the IS caseload (30), while Carers and Others represented 39% of the caseload (1,150 and 130 respectively).



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1.5 National Statistics – Housing Benefit

Housing Benefit was introduced on 1st April 1983 and is an income-related benefit designed to help people on low incomes pay for rented accommodation whether in or out-of-work. **The number of people on Housing Benefit has been in decline since 2014.**

Housing Benefit Claimants

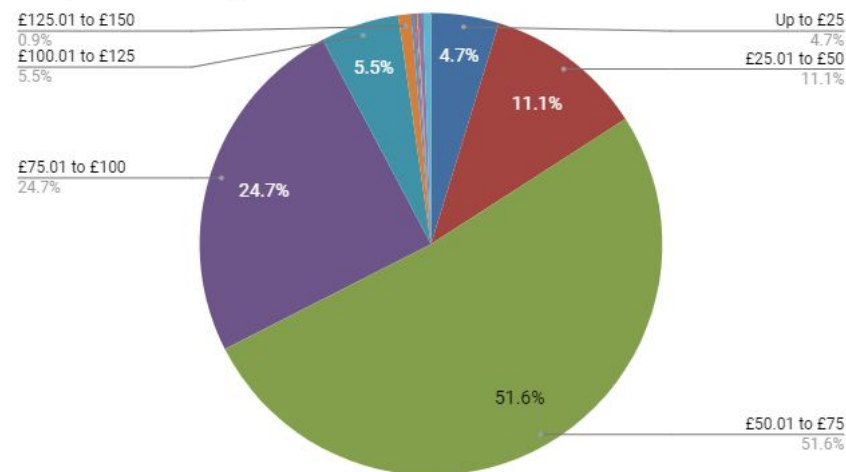


Main messages

At November 2017 there were **21,895 recipients of Housing Benefit in Northumberland**, of whom a third were aged over 65.

Over half of recipients (52%) were paid a weekly amount of £50.01-£75

Weekly amount of Housing Benefit



68% of Housing Benefit recipients were **tenants in the Social Sector**. **89%** of the 6,939 Private Sector Housing Benefit recipients were **receiving the Local Housing Allowance**. **65%** of Housing Benefit recipients were **also in receipt of Income Support, income-based Jobseeker’s Allowance, income-based Employment and Support Allowance, Pension Credit (Guarantee Credit) or Universal Credit**.

In November 2017, **2,639** Housing Benefit claimants (of working age) **had a reduction to their Housing Benefit weekly award amount as a result of the removal of the spare room subsidy**. This represents 12% of the total Housing Benefit caseload.

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1.6 National Statistics – Personal Tax Credits

Child Tax Credit (CTC) and Working Tax Credit (WTC) replaced Working Families Tax Credit, Disabled Persons Tax Credit and Children’s Tax Credit in April 2003. CTC brings together income related support for children and qualifying young people aged 16-19 who are in full-time non-advanced education or approved training into a single tax credit, payable to the main carer. Families can claim whether or not the adults are in work. WTC provides in work support for people on low incomes, with or without children. Tax credits are based on household circumstances.

Main messages

In June 2010 a package of tax credit changes were announced relating to levels of income and personal circumstances, these changes took effect in April 2011 and April 2012.

20,100 families benefited from a Tax Credit award in 2015/16.

It should be noted that in 2006/2007 and earlier years, the disregard for rises in income was only £2,500, it then increased to £25,000.

From 6 April 2011 the disregard decreased to £10,000, then further decreased to £5,000 from 6 April 2013, and is currently set at £2,500 from 6 April 2016.

Families receiving Child and Working Tax Credits Awards

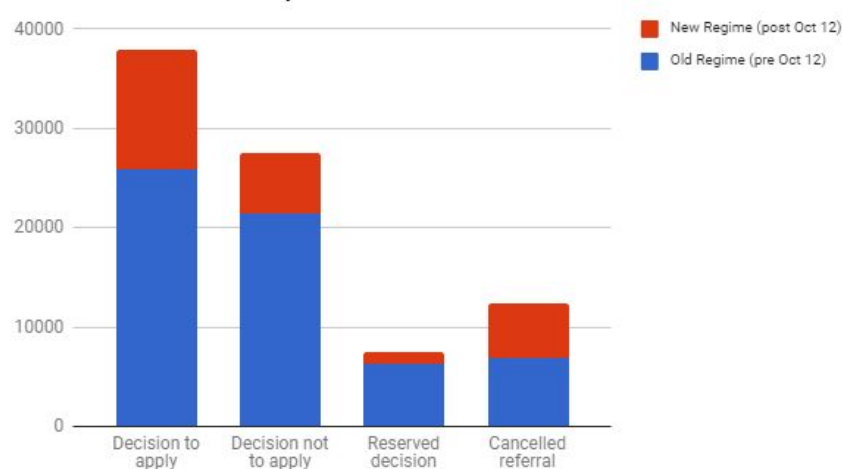


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1.7 Official Statistics – Jobseeker’s Allowance sanction decisions

New “tougher” sanctions rules came into force in October 2012 for Jobseeker’s Allowance (JSA) claimants which make sanctions more proportionate and encourage people to engage with the support being offered by Jobcentres by making it clearer to claimants what they are expected to do in return for their benefits. **A total of 37,936 decisions to apply a JSA sanction were made in Northumberland between April 2000 and October 2017, which related to 18,051 individuals (an individual may receive more than one sanction decision).**

JSA Sanction decisions April 2000 to October 2017



Main messages

Under the new JSA sanctions regime, introduced on 22nd October 2012:

A total of 12,103 decisions to apply a sanction were made.

A total of 12,848 decisions resulted in no reduction or withdrawal of JSA. In just under half of these (48%) there was a decision not to apply a sanction; 43% as a result of the referral being cancelled (results in no sanction being made); and just under one in ten (9%) where it was decided that a sanction would be appropriate but the claimant was no longer claiming JSA (reserved decision).

A total of 1,551 decisions following a review resulted in no sanction being applied. This represented almost two thirds (65%) of all cases that had a decision reviewed, and less than one in ten (6%) of all sanction decisions.

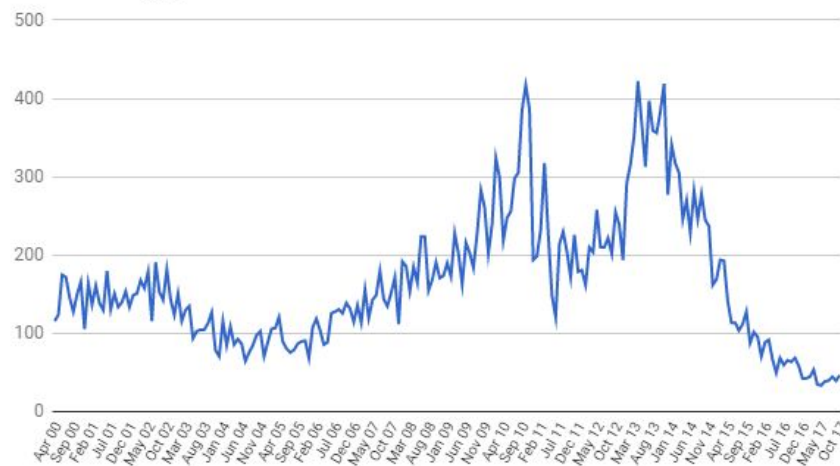
A total of 135 decisions following a mandatory reconsideration resulted in no sanction being applied. This represented almost one-third (33%) of all cases that had a mandatory reconsideration and 0.5% of all sanction decisions.

A total of 83 decisions following an appeal resulted in no sanction being applied. This represented 23% of all cases that went to the appeal stage, and less than half of one per cent (0.3%) of all sanction decisions.

A month by month look at the number of individuals who have had a JSA sanction applied reveals a distinctive period of flux which reflects the overhaul of the regime, the chart on the following page illustrates this change over time.

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Decisions to apply JSA sanction over time



1.8 Official Statistics – Employment and Support Allowance sanctions decisions

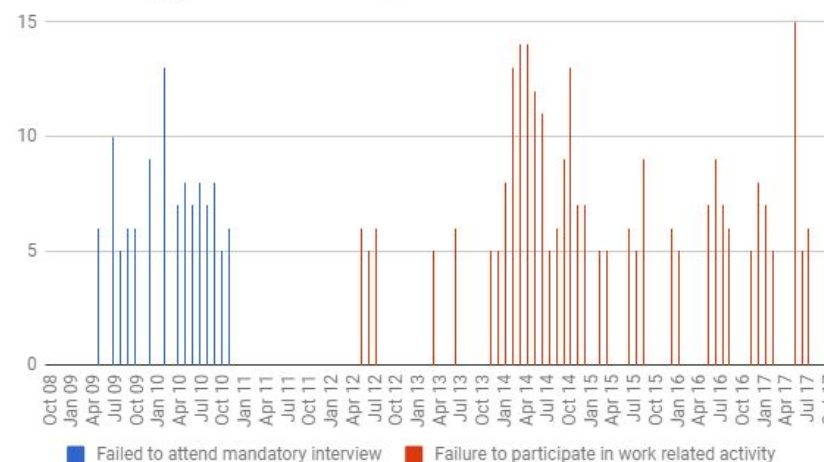
New sanctions rules came into force in December 2012 for people on Employment and Support Allowance (ESA) in the Work Related Activity Group (WRAG). People in this group are expected to be able to return to work in the future so have to attend support programmes as a condition of receiving their benefits. **A total of 405 decisions to apply an ESA sanction were made in Northumberland between October 2008 and October 2017 which related to 286 people.**

Main messages

Under the new ESA sanctions regime, introduced on 3rd December 2012:

257 decisions to apply a sanction were made, all but 12 of which (95%) were made because of a failure to participate in work related activity.

Decision to apply an ESA Sanction by reason



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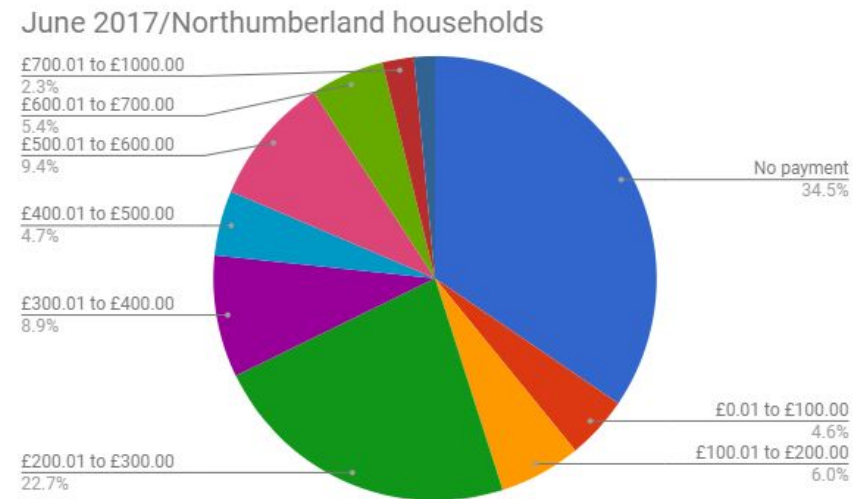
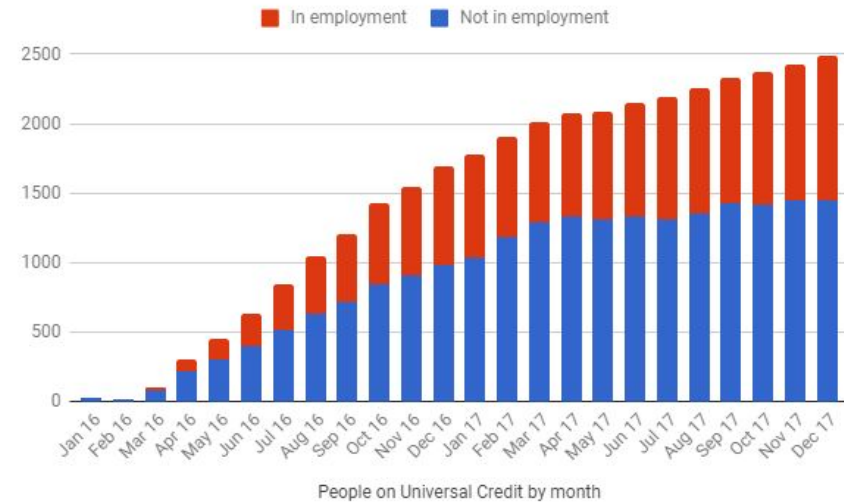
2.1 Official Experimental Statistics – Universal Credit

Universal Credit was first introduced in 2013. It 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. The following benefits will be abolished as Universal Credit rolls out:

- Income-based JSA
- Income-related ESA
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

In December 2017, nationally, 609,554 people were on Universal Credit, of which 59% (361,614) were not in employment. Regionally, 64% of the 44,429 on the single payment were not in employment at this time. **Gradual rollout began in Northumberland in June 2015 and in December 2017, 2,492 people were on Universal Credit, of which 58% (1,446) were not in employment.**

The following two charts illustrate people in Northumberland on Universal Credit by month and households by monthly award amount.

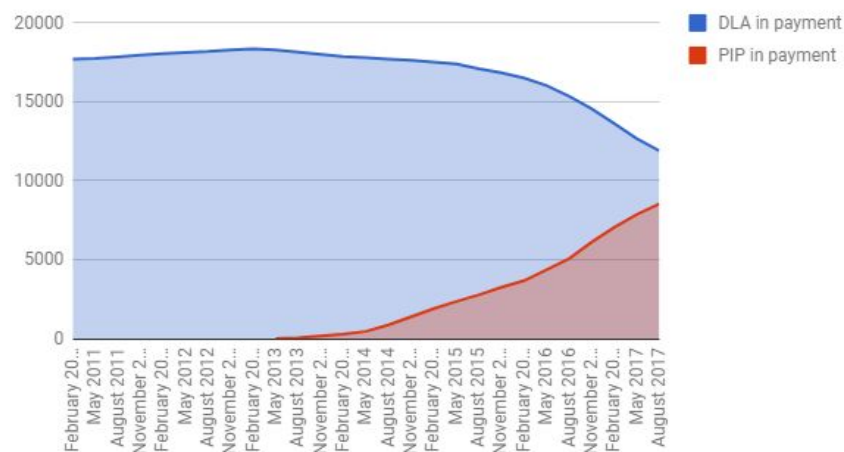


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2.2 Official Experimental Statistics – Personal Independence Payment

Disability Living Allowance (DLA) was introduced on 1st April 1992 and is a benefit for people who have become disabled before the age of 65 and who need assistance with personal care or mobility. From 8th April 2013, DLA for people aged 16-64 was replaced by Personal Independence Payment (PIP) for new claims. PIP will also gradually replace existing DLA claims for people aged 16-64.

DLA in payment and PIP in payment



Main messages

The number of people on DLA in Northumberland continues to fall as PIP is introduced.

11,904 people were claiming DLA in the three months to August 2017.

9,160 people were claiming PIP in Northumberland in October 2017.

2.3 Benefits Cap

From April 2013 a cap on the total amount of benefits that working age people can receive was introduced. Households on working age benefits can no longer receive more in benefits than the average wage for working families. The cap can be applied through Housing Benefit payments or Universal Credit and applies to the total amount that the people in a household get from the following benefits:

- Bereavement Allowance
- Child Benefit
- ESA (unless the claimant is paid the support component as part of their award)
- Guardian’s Allowance
- Incapacity Benefit
- JSA
- Severe Disablement Allowance
- Widowed Parent’s Allowance
- Carer’s Allowance
- Child Tax Credit
- Housing Benefit
- Income Support
- Maternity Allowance
- Universal Credit

The cap does not apply to households entitled to Working Tax Credit, war widows and widowers.

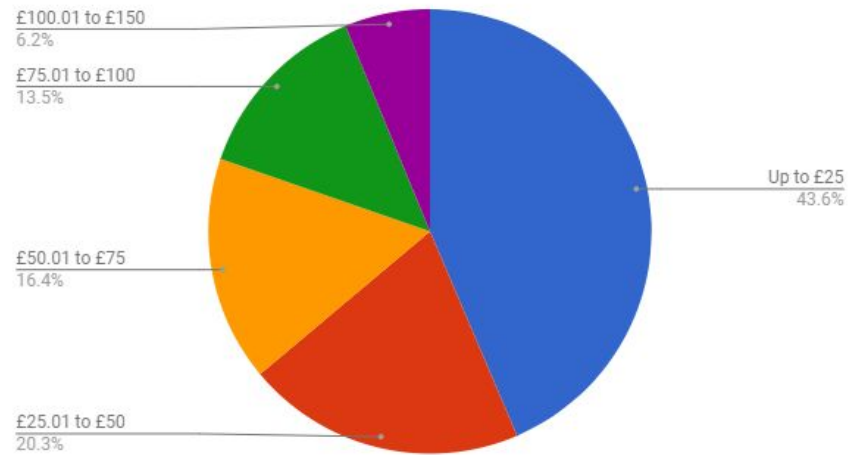
Main messages

Since the introduction of the benefit cap on 15th April 2013 to November 2017, 153,224 households in England had their housing benefit capped, only 6,031 were in the North East (4%).

A total of 480 households in Northumberland have been subject to the benefits cap since April 2013.

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Northumberland benefit cap per household



In Northumberland, 44% of households affected to date have been capped by up to £25 per week. Applied through Housing Benefit the cap threshold is £384.62 a week for couples and single parent households and £257.69 a week for single adult households without children.