

# Employment and Support Allowance (ESA), August 2018

Key findings for the Lancashire-14 area



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Anyone wishing to claim Employment and Support Allowance should go to the GOV.UK website.

#### 1 Overview

<u>Employment and Support Allowance (ESA)</u> is currently one of the largest working age benefits. ESA is for people with an illness or disability that affects their ability to work. They must be under state pension age, and not receiving jobseekers allowance, statutory sick or maternity pay.

ESA was introduced on 27 October 2008, and replaced Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) for new claimants. It also replaced Income Support paid on incapacity grounds. The 'new style' ESA was introduced 7 December 2016. Further changes to the ESA benefit were made on 3 April 2017.

Income-related ESA claims will be replaced by Universal Credit over time.

# 2 Summary

The number of Employment and Support Allowance claimants in the Lancashire-12 area rose steadily following the introduction of ESA in October 2008, peaking at 49,030 in August 2016. Peak numbers at the individual local authority level were reached between February 2015 and February 2017 in the Lancashire-14 area. The number of claimants have generally been reducing in most areas since their respective peaks, possibly due to some claimants being transferred onto Universal Credit.

In August 2018, there were 44,190 claimants of Employment and Support Allowance (ESA) in the Lancashire-12 area. Preston (6,500), Burnley (4,270) and Wyre (4,180) had the greatest number of ESA claimants in the Lancashire-12 area. Ribble Valley (1,280) had the lowest.

Blackpool (10,130) and Blackburn with Darwen (7,320) had the largest number of ESA claimants in the Lancashire-14 area where the total was 61,630 claimants.

#### **ESA** claimants by health condition

49.1% of ESA claimants (21,700) were classified under the health condition of 'mental and behavioural disorders' in the Lancashire-12 area in August 2018, compared with 50% in the Lancashire-14 area and 51% in Great Britain.

#### Yearly change in ESA claimant numbers

Between August 2017 and August 2018, the number of ESA claimants fell by 4.7% (-2,230) in the Lancashire 12 area and 5.0% (-3,330) in the Lancashire-14 area. This was slightly lower than the Great Britain percentage fall of 5.7%. Lancaster saw the greatest numeric and percentage fall in claimants, (-580, -12.8%) in the Lancashire-12 area. Fylde (70, 2.9%) and Wyre (80, 2.0%) both saw small rises. Blackburn with

Darwen (-1,020, -12.2%) recorded the largest yearly decrease in the Lancashire-14 area.

#### **ESA** benefit mean weekly amounts (£s)

Five local authority areas in the Lancashire-12 area, plus Blackburn with Darwen and Blackpool unitary authorities, had mean weekly ESA benefit amounts above the GB average of £124.32.

Blackburn with Darwen (£127.99) and Lancaster (£127.42) had the highest average mean ESA weekly amounts in the Lancashire-14 area in August 2018, slightly above the Great Britain value of £124.32. Ribble Valley had the lowest mean weekly amount at £112.36 in the area.

Due to the new style ESA interaction with Universal Credit, some claimants may not get any payment through ESA, just credits. This applied to 6% of claims in the Lancashire-12 area and 5.7% in the Lancashire-14 area (GB =5.7%) in August 2018.

#### ESA benefit: total of weekly award amounts (£)

ESA award amounts are based on three different contribution types and individual circumstances. This results in variations in the distribution of the number of ESA awards by contribution type, and the total value of ESA awards by contribution type in each area.

In August 2018, of those claimants who actually received ESA payments, the total amounted to approximately £5.455 million per week in the Lancashire-12 area and £7.673 million per week in the Lancashire-14 area.

Preston (£0.815 million), Burnley (£0.540 million), Wyre (£0.513 million) and Hyndburn (£0.507 million) received the greatest amounts of ESA award payments per week in the Lancashire-12 area in August 2018. However, Blackpool (£1,283 million) and Blackburn with Darwen (£0.936 million) received largest amounts of ESA award payments per week in the Lancashire-14 area.

#### Remaining claimants of Incapacity Benefit or Severe Disablement Allowance

In August 2018, there were still 1,080 claimants of Incapacity Benefit or Severe Disablement Allowance in the Lancashire-12 area and 1,400 in the Lancashire-14 area.

This article is supported by a <u>dashboard</u> visualising the data.

# 3 Background information

This article uses quarterly statistics provided by the Department for Work and Pensions (DWP) Information Centre. The focus is on figures for the Lancashire-12 and Lancashire-14 areas, but data for other parts of the country can be found by going to the <u>DWP website</u>, using the <u>DWP Stat-Xplore</u> data download tool. This

article just considers the local authority level results, but 2003 CAS ward statistics can be downloaded via the National Online Manpower Information System website (Nomisweb).

Employment and Support Allowance is for people with an illness or disability that affects their ability to work. They must be under state pension age, and not receiving jobseekers allowance, statutory sick or maternity pay.

# 3.1 Types of ESA

There are three different types of ESA:

- 1. New style
- 2. Contribution-based
- 3. Income-based

The type claimants receive depends on their circumstances.

Applicants for ESA must have a Work Capability Assessment to see to what extent illness or disability affects ability to work.

There have been some changes in benefits offered to ill or disabled people over time.

Date	Benefit/Benefit change					
April 1995	Incapacity Benefit and Severe Disablement Allowance					
27 October 2008	Employment and Support Allowance introduced for new					
	claimants. It replaced Incapacity Benefit and Severe					
	Disablement Allowance for new claimants. It also replaced					
	Income Support paid on incapacity grounds.					
7 December 2016	New style ESA introduced to work alongside Universal					
	Credit. Lancashire information on Universal Credit can be					
	found on Lancashire Insight.					
3 April 2017	Changes to the ESA benefit introduced.					

# 3.2 Levels of financial support

The ESA consists of different rates of payments. For the first 13 weeks after claiming, people receive an assessment rate. This consists of up to £57.90 a week for under 25 year olds, or up to £73.10 a week for those aged 25 or over. Following the assessment period, recipients are given up to £73.10 a week if they are in the work-related activity group, or up to £111.65 a week if they are in the support group.

Persons may receive more ESA in the work-related activity group if they applied before 3 April 2017.

Those ESA claimants in the support group and on income-related ESA are also entitled to the enhanced disability premium of £16.80 or £24.19 a week. Additionally, some claimants may also qualify for the severe disability premium of £65.85 or 131.70 per week.

#### 3.3 Durations that ESA can be claimed.

The new style ESA and contribution-based ESA lasts for 365 days if the claimant is within the work-related activity group.

There is no time limit if the claimant is within the ESA support group, or receives income-based ESA.

### 3.4 New style ESA and Universal Credit

The new style ESA may be claimed by people who are ill or unable to work provided they meet the conditions for Universal Credit. New style ESA can be claimed instead of, or as well as, Universal Credit depending on an individual's circumstances. If both benefits are claimed, the new style ESA payment will be deducted from the UC payment.

Unlike Universal Credit, the new style ESA is paid to an individual and does not take into account any savings they may have, nor is it affected if the individual has a partner who is working. Furthermore, ESA does not include money for rent or childcare costs, and is paid fortnightly rather than monthly.

#### 3.5 Further information about ESA and benefits

For additional information about the Employment and Support Allowance, please see the <u>ESA web pages on the GOV.UK website</u>. For more information about benefit statistics in general, please see the <u>quarterly DWP Benefits Statistical Summary</u>. For information on Universal Credit, please see <u>local analysis on Lancashire Insight</u>, or <u>details about claiming Universal Credit</u> on the GOV.UK website.

# 4 Analysis of Employment and Support Allowance claimants and change

The number of Employment and Support Allowance claimants in the Lancashire-12 area rose steadily following the introduction of ESA in October 2008, peaking at 49,030 in August 2016. The number of ESA claimants peaked in different months at the individual local authority level within the Lancashire-14 area, ranging from February 2015, in Blackburn with Darwen, to February 2017, for Ribble Valley. The number of claimants have generally been reducing in most areas since their respective peaks, possibly due to some claimants being transferred onto Universal Credit. Please see our dashboard for quarterly time-series graphs showing ESA claimants by local authority from November 2008.

In August 2018, there were 44,190 claimants of Employment and Support Allowance (ESA) in the Lancashire-12 area. Preston (6,500), Burnley (4,270) and Wyre (4,180) had the greatest number of ESA claimants in the Lancashire-12 area. Ribble Valley (1,280) had the lowest total.

Blackpool (10,130) and Blackburn with Darwen (7,320) had the largest number of ESA claimants in the Lancashire-14 area where the total was 61,630 claimants.

The changes made to the ESA benefit on the 3 April 2017 to bring the ESA in line with Universal Credit may have had an impact on numbers. Details of the changes can be found on this DWP web page.

Between August 2017 and August 2018, the number of ESA claimants fell by 4.7% (-2,230) in the Lancashire 12 area and 5.0% (-3,330) in the Lancashire-14 area. This was slightly lower than the Great Britain percentage fall of 5.7%. Lancaster saw the greatest numeric and percentage fall in claimants, (-580, -12.8%) in the Lancashire-12 area. Fylde (70, 2.9%) and Wyre (80, 2.0%) both saw small rises. Blackburn with Darwen (-1,020, -12.2%) recorded the largest yearly decrease in the Lancashire-14 area.

Table 1: Employment and Support Allowance (ESA) claimants August 2018 and yearly change

Area	Claimant August 2017	Αu	mants igust 018	Change August 2017 – August 2018	Percentage change August 2017 – August 2018	Average Weekly benefit, August 2018	
Burnley	4,80	0	4,270	-530	-11 0%	£126.67	
Chorley	3,80	0	3,670	-130	-3.4%	£122.13	
Fylde	2,44	0	2,510	70	2.9%	£121.77	
Hyndburn	4,50	0	4,050	-450	-10.0%	£125.43	
Lancaster	4,53	0	3,950	-580	-12.8%	£127.42	
Pendle	4,09	0	4,040	-50	- <mark>1</mark> .2%	£120.39	
Preston	6,65	0	6,500	-150	-2.3%	£125.68	
Ribble Valley	1,34	0	1,280	-60	-4.5%	£112.36	
Rossendale	3,17	0	3,130	-40	- <mark>1</mark> .3%	£119.37	
South Ribble	3,18	0	3,140	-40	- <mark>1</mark> .3%	£121.28	
West Lancashire	3,82	0	3,470	-350	-9.2%	£126.70	
Wyre	4,10	0	4,180	80	2 0%	£123.04	
Lancashire-12 [1]	46,41	0 -	44,190	-2,220	-4.8%		
Blackburn with Darwen	8,34	0	7,320	-1,020	-12.2%	£127.99	
Blackpool	10,21	0	10,130	-80	- <mark>0</mark> .8%	£126.60	
Lancashire-14 [1]	64,96	0	61,630	-3,330	-5.1%		
North West	333,92	0 3	15,280	-18,640	-5.6%	£126.48	
Great Britain	2,337,94	0 2,2	04,410	-133,530	-5.7%	£124.32	

Source: Department for Work and Pensions via the National On-line Manpower Information System (NOMIS).

# 5 Average mean weekly award amounts

This section looks at the average mean weekly award amounts of the three contribution types combined (income based, contribution-based and both income and contribution based).

Five local authority areas in the Lancashire-12 area, plus Blackburn with Darwen and Blackpool unitary authorities, had average mean weekly ESA benefit amounts above the GB average of £124.32.

Blackburn with Darwen (£127.99) and Lancaster (£127.42) had the highest total mean ESA weekly amounts in the Lancashire-14 area in August 2018, slightly above the Great Britain value of £124.32. Ribble Valley had the lowest mean weekly amount at £112.36 in the area.

Due to the new style ESA interaction with Universal Credit, some claimants may not get any payment through ESA, just credits. This applied to 6% of claims in the Lancashire-12 area and 5.7% in the Lancashire-14 area (GB =5.7%) in August 2018.

Within the Lancashire-14 area, Lancaster (7.1%), West Lancashire (7.0%), Fylde (6.8%) and Chorley (6.5%) had the highest percentages of ESA claimants who received no award payments (just credits), whereas Blackburn with Darwen (5.2%), Blackpool (4.7%) and Burnley (4.7%) had the lowest percentages in the area.

# 6 ESA claimants by contribution type, average mean weekly ESA awards by contribution type, and total value of ESA awards per week

This section looks at the number of ESA claimants broken down by the three individual contribution types (income based, contribution-based and both income and contribution based combined). It also looks at the number of claimants who receive no award payment (just credits) in a little more depth. Secondly, the average mean weekly award amounts broken down by the three individual contribution types are explored by geographic area. And finally, the value of the total awards (for all three contribution types combined) is analysed by geographic area. This is calculated by multiplying the number of claimants within each contribution type by the average mean weekly award amount by contribution type and summing the three totals.

# 6.1 ESA claimants by contribution type

Of the 44.190 ESA claimants in the Lancashire-12 area, income-based claimants (22,720) accounted for the largest percentage at 51.4%. Contribution-based claimants (10,060) represented the second largest percentage at 22.8%. Both income and contribution based claims (8,740) accounted for a slightly lower 19.8% of the total. There were 2,670 ESA claimants (6.0%) in the Lancashire-12 area that received no ESA payment and received just credits.

For the Lancashire-14 area, of the 61,630 ESA claimants, income-based claimants (33,520) also accounted for the largest percentage at 54.4%. Contribution-based claimants (12,740) represented the second largest percentage at 20.7%. Both income and contribution based claims (11,850) again accounted for a slightly lower 19.2% of the total. There were 3,530 ESA claimants (5.7%) in the Lancashire-14 area that received no ESA payment and received just credits.

Income-based ESA claimants accounted for the largest percentage of the total in all of the Lancashire-14 local authority areas. Blackpool (63.3%), Pendle (60.4%), Preston (60.2%) and Blackburn with Darwen (60.0%) had the greatest percentages of income-based ESA claimants, whilst Ribble Valley (41.4%), South Ribble (42.0%) and West Lancashire (44.1%) had the lowest income-based percentages.

Ten of the Lancashire-14 local authority areas followed the distribution pattern of income-based claimants having the greatest percentage, followed by contribution-based claimants, then both income and contribution based claimants, and finally claimants with no payments. However, Blackburn with Darwen, Blackpool, Preston and Lancaster all had lower percentages of contribution-based claimants than claimants based on both income and contributions.

Lancaster (7.1%), West Lancashire (7.0%), Fylde (6.8%) and Chorley (6.5%) had the highest percentages of ESA claimants who received no award payments (just credits) in the Lancashire-14 area, whereas Burnley (4.7%). Blackpool (4.7%) and Blackburn with Darwen (5.2%) had the lowest percentages in the area.

# 6.2 Average mean weekly ESA awards by contribution type

In the Lancashire-14 area, the average mean weekly ESA awards based on both income and contributions resulted in the largest payments, ranging from £155.36 in Rossendale, to £164.02 in Lancaster (GB = £157.06). Eleven of the Lancashire-14 areas had amounts above the GB figure in August 2018, but Lancaster (£164.02), Fylde (£162.20) and Wyre (£161.16) had the greatest awards.

The second largest average mean weekly ESA awards in the Lancashire-14 area were income-based, and ranged from £120.71 in Ribble Valley, to £138.92 in West Lancashire (GB = £132.48). Nine of the Lancashire-14 areas had awards above the GB figure in August 2018, but West Lancashire (£138.92) and Lancaster (£138.41) had the greatest amounts.

Contribution-based awards resulted in the third largest average mean weekly ESA payment amounts in the Lancashire-14 area, ranging from £102.11 in Ribble Valley, to £108.31 in Blackburn with Darwen (GB = 104.82). Seven of the Lancashire-14 areas had awards above the GB figure in August 2018, with Blackburn with Darwen (£108.31) and Hyndburn (£107.29) having the largest payment amounts.

# 6.3 Total value of ESA awards per week

In August 2018, of those claimants who actually received ESA payments, the total amounted to approximately £5.455 million per week in the Lancashire-12 area and £7.673 million per week in the Lancashire-14 area.

Preston (£0.815 million), Burnley (£0.540 million), Wyre (£0.513 million) and Hyndburn (£0.507 million) received the greatest amounts of ESA award payments per week in the Lancashire-12 area in August 2018. However, Blackpool (£1,283

million) and Blackburn with Darwen (£0.936 million) received largest amounts of ESA award payments per week in the Lancashire-14 area.

### 7 Health conditions

The National On-line Manpower Information System (<u>Nomisweb</u>) gives access to the Employment and Support Allowance data split by 21 health condition types. These are based on the World Health Organisation's International Classification of Diseases (ICDGP).

In August 2018, 49.1% of ESA claimants (21,700) were classified under the health condition of 'mental and behavioural disorders' in the Lancashire-12 area, compared with 50% in the Lancashire-14 area (30,960) and 51% in Great Britain.

Four local areas had a higher percentage of mental and behavioural disorders than the national average, the highest at 54% (3,530) was Preston, followed by Blackburn with Darwen (53.0%, 3,880), Blackpool (53.0%, 5,370) and Lancaster (51.4%, 2,030). West Lancashire (41.8%, 1,450) had the lowest percentage of claimants with a mental or behavioural condition.

Diseases of the musculoskeletal system and connective tissue were the second largest health condition amongst claimants, 12.9%, in the Lancashire-12 area (5,680 claimants), and the Lancashire-14 area (12.7%, 7850) in August 2018 (GB = 12.2%).

# 8 Incapacity Benefit and Severe Disablement Allowance claimants and change

Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) were replaced by ESA in October 2008 for new claimants. The number of IB/SDA claimants has therefore been reducing since October 2008.

There were still 1,080 claimants of Incapacity Benefit or Severe Disablement Allowance in the Lancashire-12 area in August 2018, and 1,400 in the Lancashire-14 area. The number has reduced by 20.6% since August 2017 in Lancashire-12 area and by 20.9% in the wider Lancashire-14 area. This is broadly in line with the Great Britain reduction of 21.4%. Blackpool (180) had the highest number of IB/SDA claimants in the Lancashire-14 area in August 2018, followed by Blackburn with Darwen (130), Preston (130) and Lancaster (130). Ribble Valley had the lowest number (30).

In the Lancashire-12 area, 44% of IB/SDA claimants were of pension age and 56% of working age.

The average weekly payment was around £87. Only the IB/SDA claimants of pension age received payments.

Table 2: Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) claimants, August 2018 and yearly change

Area	Claimants August 2017		Claimants August 2018		Change August 2017 – August 2018	Percentage change August 2017 – August 2018	Average Weekly benefit, August 2018
Burnley		90		80	-10	-11.1%	£87.05
Chorley		150		110	-40	-26.7%	£86.69
Fylde		100		80	-20	-20.0%	£86.87
Hyndburn		110		90	-20	-18.2%	£87.57
Lancaster		150		130	-20	-13.3%	£86.95
Pendle		100		80	-20	-20.0%	£87.16
Preston		190		130	-60	-31.6%	£87.14
Ribble Valley		30		30	0	0.0%	£86.86
Rossendale		70		60	-10	-14.3%	£86.05
South Ribble		110		90	-20	-18.2%	£87.45
West Lancashire		120		90	-30	-25.0%	£86.66
Wyre		150		110	-40	-26.7%	£85.83
Lancashire-12 <sup>[1]</sup>		1,360		1,080	-280	-20.6%	£86.84
Blackburn with Darwen		180		130	-50	-27.8%	£86.39
Blackpool		230		180	-50	-21.7%	£86.57
Lancashire-14 <sup>[1)</sup>		1,690		1,400	-290	-17.2%	£86.78
North West		8,440		6,710	-1,730	-20.5%	£86.80
Great Britain		67,230	5	2,820	-14,410	-21.4%	£87.02

Source: Department for Work and Pensions Stat-Xplore data selection tool

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