

Changes to the Measurement of the Claimant Count following the introduction of Universal Credit in Northern Ireland

March 2019

What is the Claimant Count?

The Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed. The series has been used as a main indicator of labour market activity since the 1970's.

How is the Claimant Count changing?

From October 1996, the Claimant Count simply reported the number of people claiming Jobseeker's Allowance (JSA). However, since the introduction of Universal Credit (UC) in September 2017, some of the unemployment benefit claimants began claiming UC instead of JSA. Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. Following a consultation in 2012 by ONS, it was agreed that, with the introduction of UC, the Claimant Count would include:

- People claiming contribution-based JSA (which is not affected by the introduction of UC),
- People claiming means-tested JSA during the transition period while this benefit is being gradually phased out, and
- People claiming UC who are not earning and who are subject to a full set of labour market jobseeker requirements, that is required to be actively seeking work and available to start work.

What is Jobseeker's Allowance?

Jobseeker's Allowance (JSA) has been the main unemployment benefit in the UK since 1996. There are 2 types:

- 1. Contribution-based JSA which someone may be entitled to for up to 182 days if they have paid enough National Insurance contributions; and
- 2. Income-based JSA which is based on the claimant's income and savings.

What is Universal Credit?

Universal Credit (UC) is a new benefit paid to people over 18 but under State Pension age who are on low income or out of work. It provides support for the cost of housing, when a claimant is in employment, it will assist with childcare, and it will provide financial support for people with disabilities, carers and people too ill to work.

The aim of UC is to make it more beneficial for people to work than to claim benefits by offering the support needed to prepare for work, start work and earn more. It will replace the following six existing benefits and tax credits with one monthly payment:

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

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

UC was introduced in Northern Ireland¹ on 27th September 2017 under the Northern Ireland (Welfare Reform) Act 2015 and was rolled out on a phased geographical basis for new claimants until December 2018 as follows:

Week commencing	Office	
27/09/2017	Limavady	
15/11/2017	Ballymoney	
13/12/2017	Magherafelt and Coleraine	
17/01/2018	Strabane and Lisnagelvin	
07/02/2018	Foyle and Armagh	
21/02/2018	Omagh and Enniskillen	
07/03/2018	Dungannon and Portadown	
16/05/2018	Newry and Downpatrick	
30/05/2018	Lurgan, Newcastle and Kilkeel	
13/06/2018	Falls and Shankill	
27/06/2018	Andersonstown and Banbridge	
05/09/2018	Holywood Road and Ballynahinch	
19/09/2018	Newtownabbey and Newtownards	
03/10/2018	Shaftesbury Square and Carrickfergus	
17/10/2018	Knockbreda and Bangor	
31/10/2018	Lisburn and Larne	
14/11/2018	North Belfast and Cookstown	
05/12/2018	Ballymena and Antrim	

All existing benefit claimants will be transferred by March 2023.

When is the Claimant Count changing?

From March 2018 the NI JSA-only claimant count was replaced by an experimental measure based on JSA claimants plus out-of-work UC claimants who were claiming it principally for the reason of being unemployed. This was because the JSA only Claimant Count became less representative as the roll-out of UC continued across Northern Ireland.

Is the Claimant Count still a National Statistic?

The new measure of Claimant Count, using JSA plus UC claimants is an *experimental* statistic. This means that that the statistics are in the testing phase and not yet fully developed. The ONS have produce a useful 'Guide to Experimental Statistics'.

The original series of claimants of JSA, although still available, is no longer designated as a National Statistic. Although the original measure will continue to reflect the number of people

¹ Universal Credit was introduced in Great Britain in April 2013

claiming JSA, the relevance of it as a measure of unemployment will diminish each month as UC is rolled out to all claimants. The <u>letter</u> from NISRA requesting de-designation and the <u>reply</u> from the Office for Statistics Regulation are available on the UK Statistics Authority website.

How much do the new (JSA and UC) and old (JSA only) Claimant Counts differ?

In January 2018, the experimental Claimant Count was 29,020, of which 28,631 (98.7% of the total) were JSA claimants and 388 (1.3% of the total) were UC claimants.

The graph which follows shows the experimental Claimant Count compared with the count of JSA claimants only. The data have not been adjusted for seasonality. The difference between the two measures has so far been very small, however, as the roll-out of UC progresses, we expect the differences to become more significant.

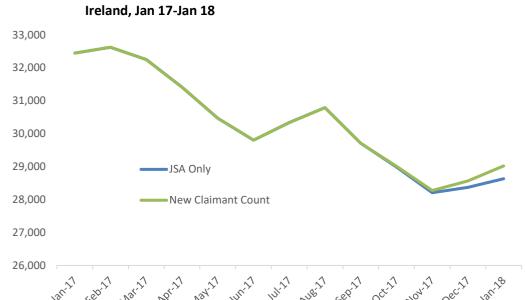


Figure 1: Comparison of Jobseeker's Allowance against new Claimant Count in Northern Ireland, Jan 17-Jan 18

Although UC started on 27th September, there are a small number of UC claimants in the new September Claimant Count total, which was before the official UC start date. This is because recipients can have the application backdated for a maximum of one month, if they couldn't claim earlier, due the illness or disability.

There will also be changes to the seasonal adjusted process for the headline measure. The JSA series was seasonally adjusted using X11-arima. To include UC into the Claimant Count it was necessary to develop a new processing system to combine the JSA and UC data to produce a non-seasonally adjusted Claimant Count. This series is then processed using X12-arima to produce a seasonally adjusted series for each region and gender. For consistency the seasonally adjusted Claimant Count series for all regions and countries of the UK were recalculated back to 2013, when UC was introduced, whether or not UC had been introduced in an individual region. For regions and periods where UC had not been introduced i.e. the series was only covering JSA; there are minor differences between the JSA and Claimant Count seasonally adjusted series due to the introduction of the new processing system.

What information will be available for the experimental Claimant Count?

From March 2018 the experimental Claimant Count measure will be available by sex and age. We will also provide geographical breakdowns by Local Government District and Parliamentary Constituency Area. Analysis by occupation, duration of claim and at Super Output Area will not be available.

Table 1: Availability of New Claimant Count data on NISRA website

		Experimental
Table	Name	Claimant Count
Table 3.1	Seasonally Adjusted Claimant Count	Yes
Table 3.2	Unadjusted Claimant Count	Yes
Table 3.3	Claimant Count Trends - Seasonally Adjusted Claimant Count	Yes
Table 3.4	Claimant Count Trends - Unadjusted Claimant Count	Yes
Table 3.5	Claimant Count Trends - Long-Term Claimant Count	No
Table 3.6	Claimant Count Trends - Youth Claimant Count	Yes
Table 3.7	Claimant Count by Travel-to-Work Area	Yes
Table 3.8	Claimant Count by Local Government District	Yes
Table 3.9	Claimant Count by Parliamentary Constituency Area	Yes
Table 3.10	Claimant Count by NUTS iii Area	Yes
Table 3.11	Claimant Count by Usual Occupation	No
Table 3.12	Outflows by Destination	No
Table 3.13	Total Annual Outflows by Destination	No
Table 3.14	Claimants Joining the count by Local Government District	No
Table 3.15	Claimant count by Ward	Yes
Table 3.16	Claimant count by Super Output Area	No

Where can I access the experimental Claimant Count data?

The experimental Claimant Count data are no longer included in the Labour Market Report. The data tables will continue to be published on the NISRA website and counts will also be available from NOMIS.

The UK figures are published in Table 10 of the <u>UK Labour Market Statistical Bulletin</u> and the associated web reference table CLA01. Data for UK regions are available in <u>Regional Labour Market Statistical Bulletin</u> as Table 7 of the Headline Indicator Tables for each region. The Claimant Count seasonally adjusted dataset is also available on <u>NOMIS</u>.

Is Jobseeker's Allowance data still available?

Jobseeker's Allowance data will still be available, but it will no longer be called the Claimant Count. The full time series for JSA is available on the <u>NOMIS</u> website. The JSA tables will no longer be available on the NISRA website.

The UK Jobseeker's Allowance figures including regional data are published in web tables BEN02 and BEN03 on the ONS website.

Contact details: Brian Grogan; Tel: 02890529311; Email: claimantcount@finance-ni.gov.uk