

Section 4.3a

Title: Draft 1 Income

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1. Overview

Income can be an important factor in meeting people's basic needs. It can also increase their freedom to make choices about their lives.

The median is the main average used to measure earnings because the mean is highly influenced by pay rates at the upper end and may not be representative of the average earnings of a typical person. The median is the middle income value and is consequently considered a better indicator of typical average earnings.

Figure I1 shows that average gross full time weekly pay of residents across the Gwent region in 2016 ranged from £433.90 per week for those who live in Blaenau Gwent to £623.40 per week for those who live in Monmouthshire. This compares to a figure of £498.30 for residents of Wales.

Figure I1

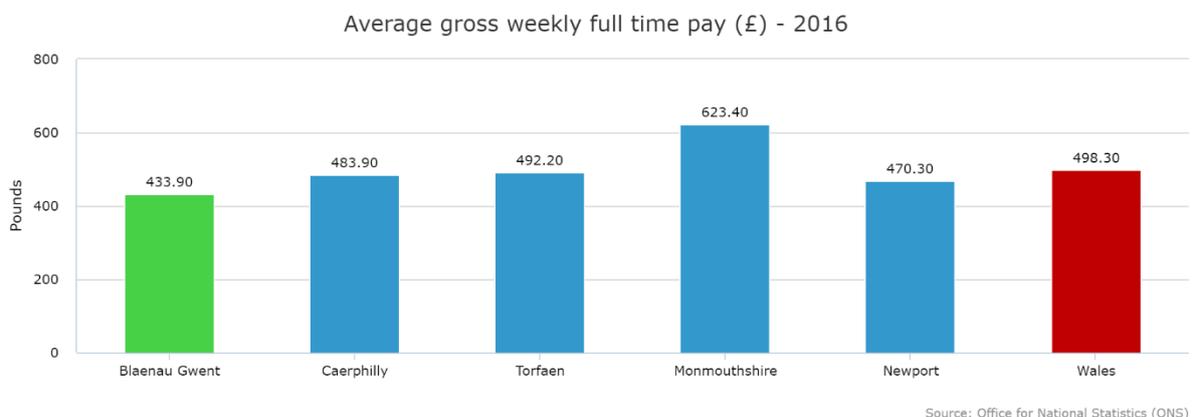
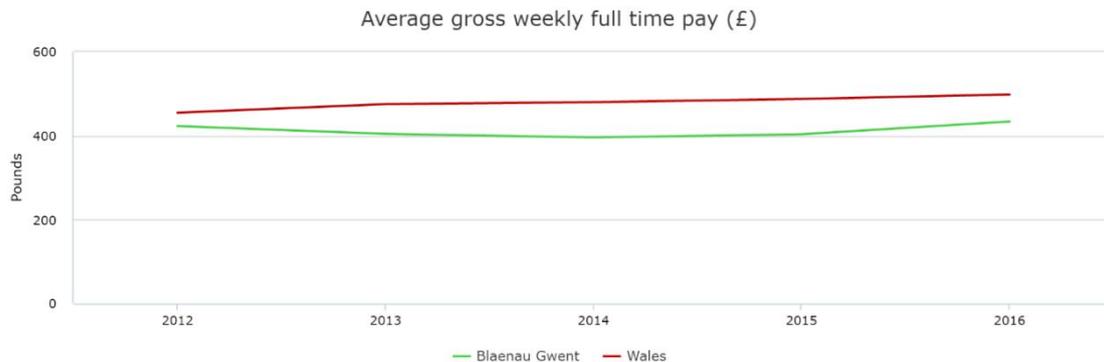


Figure I2Error! Reference source not found. shows gross weekly full time pay over the period 2012 to 2016. Blaenau Gwent saw an increase of around £11 per week in gross weekly pay for its residents. This compared with an increase of around £43 per week for residents of Wales over the same period.

Figure I2



	Blaenau Gwent	Wales
2012	423.00	454.90
2013	404.40	475.30
2014	395.90	480.00
2015	403.50	487.60
2016	433.90	498.30

Source: Office for National Statistics (ONS)

This section also provides information on income for those in employment within other various categories, such as people working in Blaenau Gwent as opposed to just residing in the authority, but also details pertinent information relating to people out of work, claiming benefits and in income deprivation in the authority.

2. Story behind the data

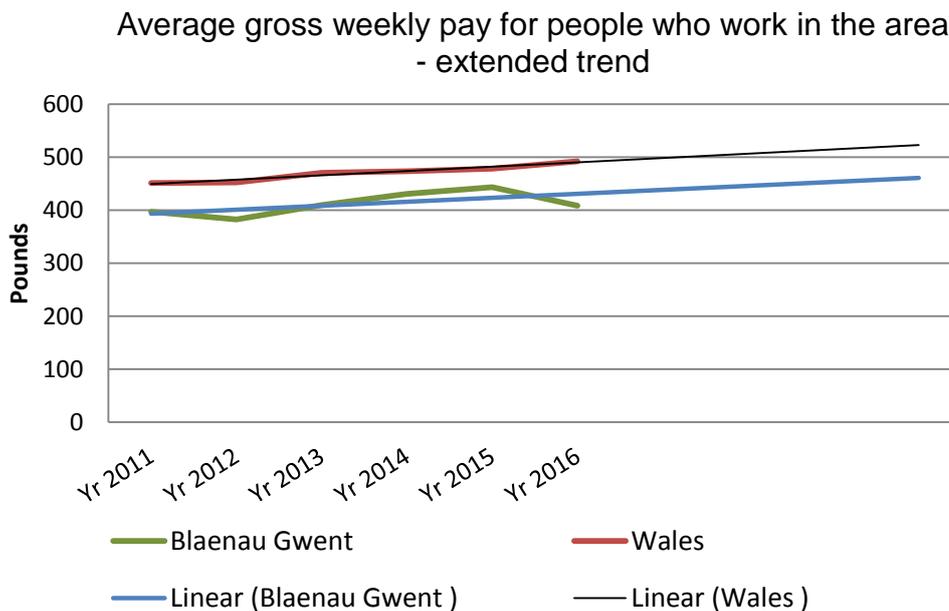
Gross full time weekly pay – work in local authority

The average gross weekly pay for people who work full time in Gwent in 2016 ranged from £408.90 in Blaenau Gwent to £512.70 in Caerphilly. This compared to £492.40 per week for Wales.

Between 2012 in 2016 this increased by £26.20 per week for those who work in Blaenau Gwent compared to £39.90 per week for Wales.

Figure I3 shows that based on the trajectory of the recent trend, people who work in Blaenau Gwent should see an increase in pay, as will workers in general throughout Wales. By 2020 people working in Blaenau Gwent could be earning around £470 which will be about £100 less than in Wales in general.

Figure I3:



Between 1997 and 2016 Blaenau Gwent ranked in the bottom half of Welsh local authorities for gross weekly earnings of people working full time in an authority. The authority ranked lowest or 2nd lowest in this respect for 8 of the last 10 years.

Gross full time weekly pay – male residents

The average gross weekly pay for full time male residents ranged from £486.60 per week for Blaenau Gwent to £691.10 per week for Monmouthshire. This compared with £536.60 per week for males who live in Wales and work full time.

Between 2012 and 2016 there was an increase of £50.40 per week in average pay for full time males compared with an increase of £44.40 for males living in Wales.

Gross full time weekly pay – males working in local authority

The average gross weekly pay in 2012 for full time males working in Blaenau Gwent was £504.80, slightly higher than in Newport and Torfaen. This compared to £525.00 per week for males who work full time in Wales.

Between 2012 and 2016 there was an increase of £66.70 per week in average pay for males compared with £43.50 for males working in Wales.

Gross full time weekly pay – female residents

The average gross weekly pay in 2012 for full time females ranged from £402.50 per week for Blaenau Gwent to £514.60 per week for Monmouthshire. This compared to £450.40 for females who live in Wales .

Between 2012 and 2016 there was an increase of £37.40 per week in average pay for full time females in Blaenau Gwent. This compared with an increase of £43.90 for females living in Wales.

Gross full time weekly pay – females working in local authority

The average gross weekly pay for females who work full time ranged from £360.00 per week in Blaenau Gwent compared to £467.90 for Caerphilly. This compared to £448.50 per week for Wales.

Between 2012 and 2016 in Blaenau Gwent there was an increase of £14.90 per week compared with £44.60 for females in Wales.

Children in low income families

The percentage of children across the region living in low income families in August 2014 ranged from 14.2% in Monmouthshire to 30.0% in Blaenau Gwent. For Wales the figure was 22.5%.

Between 31 August 2010 and 31 August 2014 there was a decrease of 2.0 percentage points over the period in Blaenau Gwent compared with a decrease of 1.7 percentage points for Wales.

Income Deprivation

The percentage of the population in income deprivation across Blaenau Gwent LSOA's for 2013-2015 ranged between 9%-14% and 34%-40%. The areas of highest deprivation (34% – 40% of the LSOA population) include areas such as:

- Cefn Golau, Ystrad Deri, Byn Pica, Rhoslan, Ysguborwen in Tredegar
- Streets in the Hilltop and Mountain Air area of Ebbw Vale.

Welsh Index of Multiple Deprivation (WIMD) Income Domain

The income domain of the 2014 Welsh Index of Multiple Deprivation (WIMD) focuses on the proportion of residents in each lower super output area (LSOA) with an income below a defined level. This is made up of three elements – income-related benefit claimants, tax credit recipients and supported asylum seekers.

The areas of highest deprivation (10% highest ranked income deprived LSOAs in Wales) are LSOAs which include areas such as:

- Cefn Golau, Ystrad Deri, Byn Pica, Rhoslan, Ysguborwen in Tredegar; streets in the Hilltop and Mountain Air area of Ebbw Vale;
- Rassau and Garnlydan area of Ebbw Vale;
- Upper and Lower Coedcae of Blaina
- Roseheyworth Estate in Abertillery.

WIMD Employment Domain

The employment domain WIMD 2014 consists of the percentage of the working age population in each lower super output area (LSOA) that are in receipt of employment related benefits. The benefits included are Incapacity Benefit (replaced Severe Disablement Allowance), Job Seeker's Allowance (JSA) and Employment and Support Allowance (ESA).

The areas of highest deprivation (10% highest ranked 'employment' deprived LSOAs in Wales) are LSOAs which include areas such as:

- Cefn Golau, Ystrad Deri, Byn Pica, Rhoslan, Ysguborwen, Ashvale, Gwent Way and Town Centre in Tredegar;
- streets in the Hilltop, Mountain Air and Rassau area of Ebbw Vale; Upper and Lower Coedcae in Blaina;
- Nantyglo region;
- Roseheyworth Estate in Abertillery.

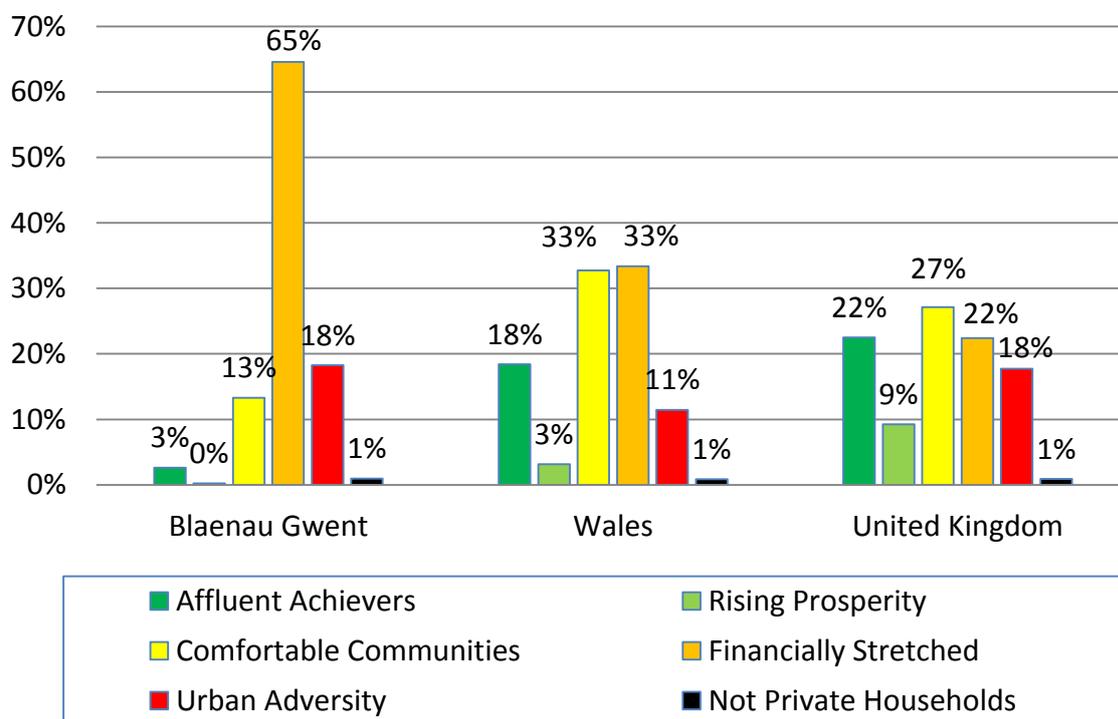
Acorn 2015 – Blaenau Gwent

Acorn is a geo demographic segmentation of the UK’s population. By analysing significant social factors and population behaviour, it provides precise information and an in-depth understanding of the different types of people.

Figure 14 shows the percentage of residents within Blaenau Gwent compared to Wales and the UK, that fall into the 6 Acorn Categories.

Figure 14 :Acorn Category – 2015

Blaenau Gwent/Wales/UK



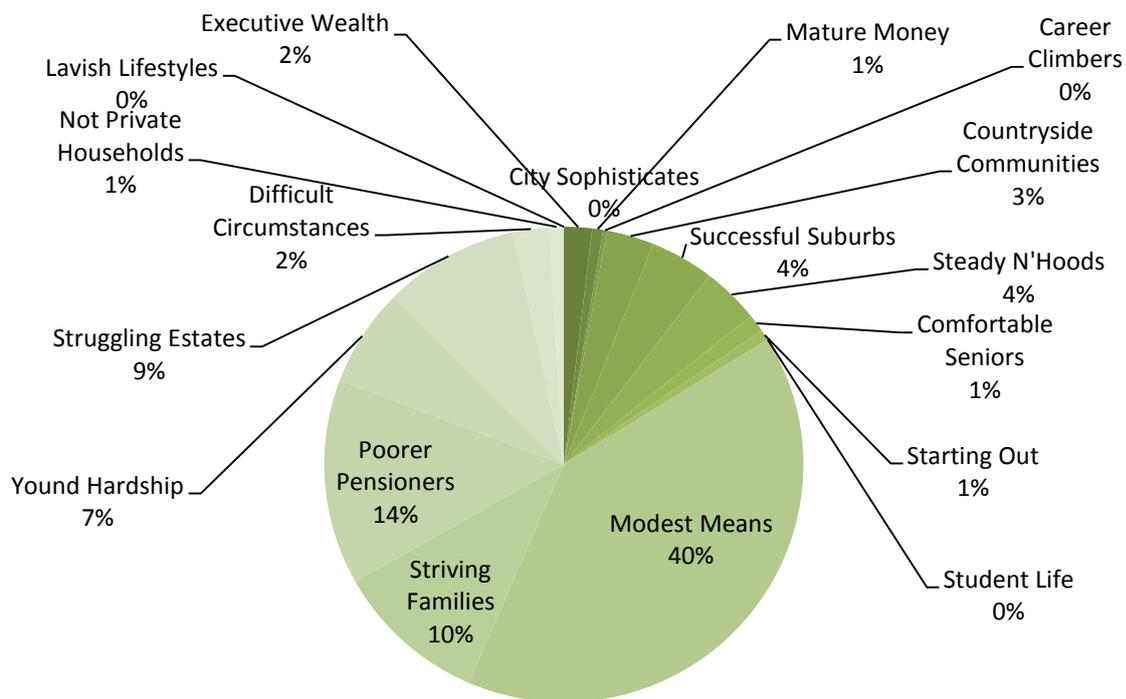
The majority of residents in Blaenau Gwent (65%) fall into the **‘financially stretched’ category**. This is almost double that of Wales as a whole (33%) and almost treble that of the UK (22%).

Overall, while many people in this category are just getting by with modest lifestyles a significant minority are experiencing some degree of financial pressure.

Almost 1/5 of residents fall into the ‘urban adversity’ category’. This contains the most deprived areas of large and small towns and cities across the UK. Household incomes are low, nearly always below the national average. The level of people having difficulties with debt or having been refused credit approaches double the national average.

Figure 15 shows the percentage of residents within Blaenau Gwent that that fall into the more detailed 18 Acorn Groups.

Figure 15: Acorn Group – 2015 Blaenau Gwent



The more detailed breakdown by Acorn Group further shows the percentage of residents that fall into classifications associated more with deprivation than affluence, for example, 40% with ‘modest means’, 10%

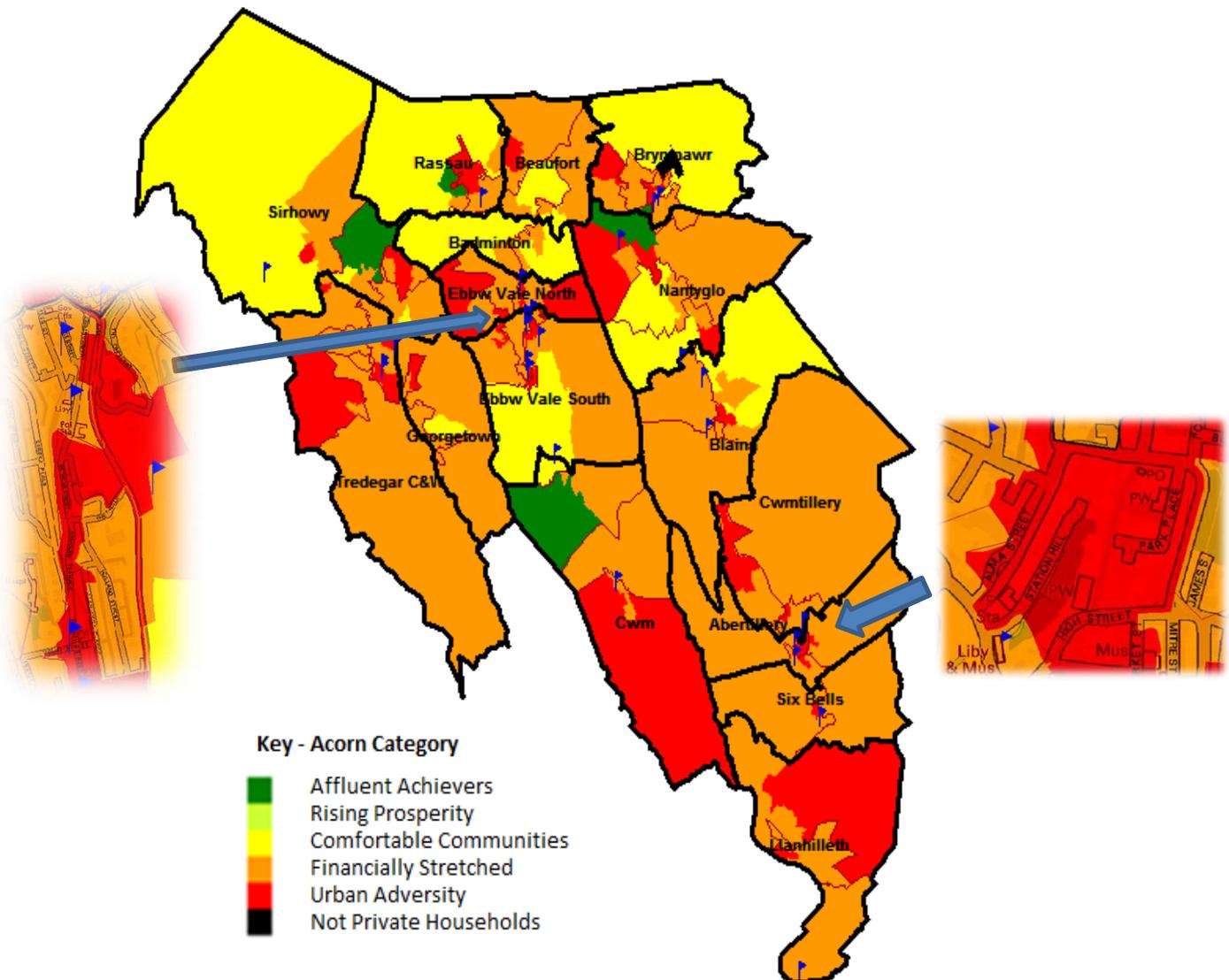
'striving families' ,14% 'poorer pensioners', 7% 'young hardship', 9% 'struggling estates' and 2% 'difficult circumstances'.

For the largest Acorn group, '**Modest Means**', unemployment may well be above average. In addition to Jobseeker's Allowance the proportion of people claiming other benefits, disability and income support is likely to be above average.

Generally there will be average levels of investments and savings. However a few people may be having difficulties keeping up with loan repayments.

Figure 16 shows Blaenau Gwent's 16 wards and within these its 241 output areas colour coded by the prevalent Acorn category for its residents. Blaenau Gwent's Employment Support Services, shown as blue flags, are also overlaid onto the map.

Figure 16: Blaenau Gwent Output Areas by Prevalent Acorn Category (2015)



The map shows the predominance of category ‘financially stretched’ (65% of the population) with pockets of ‘urban adversity’ interspersed throughout the borough. The latter tend to be situated in some of the large housing estates and sections of town centre areas, probably where there are rented housing/flats.

The map also shows that Employment support services which include work clubs, job centres, Communities First, Essential Skills for Adults are

mainly distributed in or close to areas comprising prevalence of high deprivation.

Benefit Claimants

The extent to which people of working age are reliant on welfare benefits can provide further perspective on local economic well-being.

In May 2016 the percentage of people of working age who are benefit claimants in Blaenau Gwent, at 21.1%, was more than double that of Monmouthshire at 10.2%. The percentage for Wales was 14.9%.

Between May 2013 to May 2016 there was a decrease of 3.8 percentage points in Blaenau Gwent compared to a 2.5 percentage point decrease for Wales.

Benefit Types

There are a number of different types of benefits available to people with different circumstances. The most common are:

- Carer's allowance;
- Disability living allowance;
- Incapacity benefit or ESA;
- Income support/pension credit;
- Job seeker's allowance;
- Severe disablement allowance; and
- Widow's benefit.

The percentage of working age people claiming each of these benefits provides us with information on the number and types of benefits being claimed by those who are of working age. Data by age group are supplied on a hierarchy of the benefits claimed, where claimants are only counted once in the 'highest' benefit type that they claim.

Job Seekers Allowance

The percentage of working age people claiming Job Seekers' Allowance in the Gwent region ranged from 0.8% in Monmouthshire to 2.6% in Blaenau Gwent in October 2016. The percentage for Wales was 1.5%.

Between October 2014 to October 2016. Blaenau Gwent saw a decrease of 2.0 percentage points compared to a decrease of 1.1 in Wales.

Job Seekers Allowance By LSOA

In September 2016 the areas with highest levels of JSA claimants (3.9% - 5.6% of the working age population) in Blaenau Gwent are LSOAs which include the following areas:

- Cefn Golau, Ystrad Deri, Byn Pica, Rhoslan, Ysguborwen, Town Centre in Tredegar;
- streets in the Hilltop and Mountain Air area, Garnlydan, Pontygof and Newtown areas of Ebbw Vale;
- Beafort Hill and Twyn Cynhordy of Brynmawr
- Sofrydd area of Abertillery.

Job Seekers Allowance Age 17-24

The percentage of Job Seeker's Allowance claimants who are young people aged 17-24 ranged from 12.4% in Newport to 15.8% in Blaenau Gwent in October 2016. For Wales the figure was 14.0%.

The percentage of Job Seeker's Allowance claimants aged 17-24 over the last two years saw a significant decrease in Blaenau Gwent of 13.5 percentage points. A similar decrease was seen across Wales in general.

Job Seekers Allowance Age 17-24 By LSOA

In September 2016 the areas with highest levels of JSA claimants, 37.6% - 55.6% of 17-24 year olds are LSOAs which include areas such as:

- Queen Victoria Street, Park View, Park Vale and Ty-trist areas in Tredegar;
- Pent-twyn, Brynteg Road, Alexandra Street, Bennett Street, Coronation Street, Lancaster Street, Part Street, Maeshfod, Henwaun Street in Blaina.

Incapacity Benefit

In May 2016, the percentage claiming incapacity benefit or severe disablement benefit in Blaenau Gwent was 12.0%, the highest in Gwent. This was 8.4% for Wales as a whole. Little change has been seen in levels for Blaenau Gwent and Wales as a whole since May 2013.

3. What we know from engagement



During the Blaenau Gwent We Want Engagement exercise, the partnership undertook and attended numerous engagement activities and events throughout the borough to gather people's views.

Residents also took part via the Blaenau Gwent We Want Facebook page and partnership websites. Links to an online questionnaire were also distributed to many residents known to the partnership, such as members of the Blaenau Gwent Citizen Panel.

Residents were encouraged via the methods above to answer a range of questions that sought to capture:

- Citizen values, aspirations and priorities;
- Citizen needs – insight into the needs they and their communities encounter within daily life and what the best solutions may be and
- Citizen assets – what people can and already contribute themselves such as self-care, citizen and community action and volunteering.

These questions were:

Q1. What do you think is special about BG?

Q2. What things are important to you to live well and enjoy life?

Q3. What would make BG a better place?

Q4. What can you do to help make BG a better place?

Approximately 1,000 residents were engaged with (across all groups) during the engagement phase providing more than 2,600 'statements' in response to the 4 questions mentioned. Statements were categorised within a main theme and also a topic area.

For **'Employment and Income'** as a main theme this yielded:

- the 4th highest number, 193 or 7% of all statements.
- The highest number of statements, 56 or 14% in response to 'What things are important to you to live well and enjoy life?'
- The 3rd highest number of statements, 130 or 8% in response to 'What would make BG a better place?'

For **'Availability of Employment and Income'** as a topic area this yielded:

- The 2nd highest number, 32 or 8% of statements in response to 'What things are important to you to live well and enjoy life?'
- The 3rd highest number of statements, 61 or 4% in response to 'What would make BG a better place?'

Where respondents provided a more specific response in relation to availability of employment and income, the following 'wordle' or 'word cloud' was produced. 'Wordles' give greater prominence to words that appear more frequently as a response.



4. What we know from existing research

Research to date has mainly focussed on information sourced from the Local Government Data Unit and other public domain sources. Further research will be conducted depending on the priorities set by the Public Service Board on the 21st March 2017 to inform the response analysis element

5. What this tells us about Well-being in Blaenau Gwent

In 2016 the average gross full time weekly pay of residents of Blaenau Gwent is the lowest in the Gwent region and notably less than in Wales in general. The gap is also widening with the increase between 2012 and 2016 for residents at a Wales level being four times greater than experienced in Blaenau Gwent.

The average gross weekly pay for people working in the authority is less than residents of the authority, a further suggestion of higher rates of pay outside the authority. In this respect Blaenau Gwent had the lowest or second lowest gross weekly pay in Wales for 8 of the last 10 years.

A continuation of recent trends indicate an increase in average weekly earnings for people working in Blaenau Gwent, however, by 2020 this should be about £100 less than the overall Wales level.

In 2016 male residents of Blaenau Gwent were lowest paid in Gwent, male workers in the authority were 3rd lowest. However, pay increases since 2012 have been greater for residents and workers in the authority compared to general in Wales.

Female residents and female workers in the authority are the lowest paid in Gwent in 2016. In both respects they experienced lower increases in pay since 2012 compared in general to Wales. Most disparity is between females working in the authority and working in Wales.

The percentage of children living in low income families in Blaenau Gwent in August 2014 was highest in the Gwent region and more than doubled that of Monmouthshire. Local levels were also almost a third higher than Wales in general.

In a recent series of engagement activities and events throughout the borough to gather people's views on the 'Blaenau Gwent We Want'

'Employment and Income' as a main theme yielded:

- the 4th highest number of all statements from over 1,000 respondents
- The highest number of statements in response to 'What things are important to you to live well and enjoy life?'
- The 3rd highest number of statements in response to 'What would make BG a better place?'

'Availability of Employment and Income' as a topic area yielded:

- The 2nd highest number of statements in response to ‘What things are important to you to live well and enjoy life?’
- The 3rd highest number of statements in response to ‘What would make BG a better place?’
- Where respondents provided a more specific response in relation to availability of employment and income, ‘more jobs’ figured prominently.

In 2014 LSOA’s in the authority ranked in the 10% highest ranked LSOAs in Wales in terms employment deprivation incorporate areas such as:

- Cefn Golau, Ystrad Deri, Byn Pica, Rhoslan, Ysguborwen, Ashvale, Gwent Way and Town Centre in Tredegar;
- streets in the Hilltop, Mountain Air and Rassau area of Ebbw Vale; Upper and Lower Coedcae in Blaina;
- Nantyglo; and Roseheyrworth Estate in Abertillery.

Most of these areas also fall within LSOA’s in the 10% highest ranked in Wales for income deprivation, some with as much as 34%-40% of the population in income deprivation.

A demographic segmentation of the authority shows that double the Wales percentage of residents are categorised as being ‘financially stretched’. A more detailed breakdown shows that many fall into groups associated with deprivation with modest means or are in striving families and difficult circumstances.

A geographical study shows that Blaenau Gwent Employment support services are mainly distributed in or close to areas comprising prevalence of areas with high deprivation.

In May 2016 the percentage of working age benefit claimants in the authority was notably higher than the Wales level and double that of Monmouthshire

Over the last 2 years 2% less of the working age population in the borough claimed Job Seekers Allowance but at 2.6% this was still highest in the Gwent region and above the Wales level of 1.5%.

Some LSOA's in the authority have levels ranging between 2.9% and 5.6% incorporating areas such as:

For those aged 17-24 the level of JSA claimants is much higher at 15.8% locally and the highest in the Gwent region. However, a significant reduction has been seen over the last 2 years with 13.5% less of 17-24 year olds in the authority claiming JSA.

Despite this levels range as high as 37.6% - 55.6% for 17-24 years olds in some LSOA's in the borough. These LSOAs include areas such as:

The percentage claiming incapacity benefit or severe disablement benefit in Blaenau Gwent was 12.0%, the highest in Gwent. This was 8.4% for Wales as a whole. Little change has been seen in levels for Blaenau Gwent and Wales as a whole since May 2013.