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# A needs analysis and predictive model of social welfare information and advice services in Wales

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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## Glossary

Acronym/Key word	Definition
SAF	Single Advice Fund
NAN	National Advice Network
MaPS	Money & Pensions Service
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
LA	Local Authority
DWP	Department for Work & Pensions

## **1. Executive summary**

- 1.1 Advice services provide people with free and impartial advice on issues they face. They play a pivotal role in empowering individuals to make informed decisions, ensuring they are aware of their rights and connecting them with vital resources. Additionally, these services offer specialised assistance for complex issues, such as legal or financial matters.
- 1.2 The Welsh Government is committed to supporting information and advice services. As part of this commitment, the Welsh Government has commissioned this research with the aim of assessing the current and future population need for advice services in Wales.
- 1.3 The research for this report was guided by a research board with representation from the Welsh Government and the National Advice Network. The National Advice Network brings together key stakeholders to support Welsh Ministers to develop the provision of social welfare information and advice services (Welsh Government 2018).
- 1.4 This research provides quantitative estimates of current and future need for social welfare information and advice in each local authority in Wales and for Wales as a whole. It focuses on five areas of interest: (1) Welfare Benefits; (2) Debt; (3) Consumer and Finance; (4) Housing and Neighbour; and (5) Employment. Estimates of advice need for a sixth area, namely discrimination, are inferred using the estimates of the aforementioned areas. This report presents estimates for the years 2022/23 through to 2025/26.
- 1.5 There have only been a few attempts to assess levels of advice needs in the population. These have largely not attempted to quantify advice needs explicitly. Our work builds on previous pieces of research which have attempted to do this, namely the previous advice needs assessment produced for the Welsh Government (Welsh Government, 2017) and assessments of debt need by the Money and Pensions Service (Das, 2021; Das, 2022).
- 1.6 Current levels of service provision are not a reliable indicator of the level of need in the population as provision is limited and guided by available funding, and some individuals may not seek advice even when they would benefit from it due to a lack

of knowledge of advice services or of the issues they face. We have instead used detailed responses to survey questions (captured as part of the Understanding Society Study) and other population-level data to approximate the historical level of need in the population in each category of advice.

- 1.7 The survey data to calculate historical levels of need is only available until 2020/2021. To estimate current and future levels of advice need, we have used statistical analysis to explore the relationship between other socio-economic factors and levels of need<sup>1</sup>. These relationships were then used to forecast current and future levels of need.

## **Findings**

- 1.8 This study finds that total levels of advice need are high. We estimate that there are over 900,000 issues in Wales per year that could require advice. This represents more than one advice issue for every three adults in Wales<sup>2</sup>. Some individuals have multiple issues that require advice so the number of individuals with an advice need is smaller than the number of advice issues.
- 1.9 This is greater than current levels of provision. No single figure for the provision of advice services is available due to the number of different providers in this space. However, Citizens Advice Cymru, the largest single provider of advice services in Wales, supported 130,000 people in the year from May 2022 – May 2023<sup>3</sup>. This means that some individuals are making decisions without advice that could help them.
- 1.10 Advice needs vary by category. We estimate that welfare advice needs are most prevalent, followed by consumer and finance, housing and neighbour, debt, and employment. However, there are likely to be significant overlaps with individuals having advice needs in multiple categories. This has been found to be the case

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<sup>1</sup> Other drivers of advice need exist, for example policy changes such as changes in welfare eligibility rules can lead to increased levels of advice need as individuals may benefit from advice to work out how changes impact their own eligibility. These kinds of changes occur over a number of years and the pace with which they are implemented can vary from year to year. In addition, it is not possible to know what future changes in eligibility criteria may be made. Therefore, we have not explicitly incorporated specific policy changes in our estimates of need. Our approach is explained in more detail in the methodology section and technical annexes.

<sup>2</sup> Based on 2021 UK Census figures for Wales which showed that the over-16 population was 2.6 million (ONS 2022c).

<sup>3</sup> Citizens Advice (2023b). Tab: *People: Count*, Filters: *Region: Wales*



among individuals who receive advice. For instance, Citizens Advice Cymru reported that, of all individuals they saw who needed advice on benefits and tax credits in the two years to May 2023, 24% also needed debt advice<sup>4</sup>.

- 1.11 Welfare advice needs were the largest category, something which matches current data from advice services providers<sup>5</sup>. The analysis in this report suggests that 296,000 people (11% of the population<sup>6</sup>) had welfare advice need in the 2022/23 financial year. By the financial year 2025/26 we estimate this will rise to 322,000 people (12%).
- 1.12 We estimated that 153,000 people (6%) had a need for debt advice in financial year 2022/23. We expect this to rise to 244,000 (9%) by the financial year 2025/26. Some individuals with advice issues relating to housing or energy affordability, which are captured in other categories in this report, may also benefit from debt advice, which would increase debt advice need further.
- 1.13 We estimated that 119,000 people (5%) had a need for employment advice in financial year 2022/23. This is the smallest category of needs we considered and is expected to remain flat in the coming years (5% of the population in 2025/26).
- 1.14 We estimated that 169,000 people (6%) had a need for housing and neighbour advice in financial year 2022/23. We expect a steep rise in the level of need in this category to 279,000 (11%) in financial year 2025/26 as mortgage rates rise.
- 1.15 We estimated that 179,000 people (7%) had a need for consumer and finance advice in financial year 2022/23. We expect this to rise to 244,000 (9%) in 2025/26.
- 1.16 Our model shows how positive and negative shocks can impact the number of people in need of advice. However, even in positive scenarios where macroeconomic data is better than current forecasts, the total number of people in need of advice remains significantly above current levels of service provision. There were no large differences between the pattern of need in urban and rural areas.
- 1.17 Discrimination is likely to be a factor in some advice needs, particularly in the case of employment advice. It is difficult to estimate the prevalence of discrimination separately based on available data. However, data from advice services providers

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<sup>4</sup> Citizens Advice (2023b). Tab: *Cluster: Issues* Filters: *Region: Wales, Category: Benefits and tax credits*

<sup>5</sup> Citizens Advice (2023b). Tab: *People: Count* Filters: *Region: Wales*

<sup>6</sup> All population figures used in this report are for the population aged 16 and over.

suggests discrimination could be a factor in around 5% of all employment advice needs.

- 1.18 Finally, a modelling tool was developed as part of this project which will allow the Welsh Government to calculate updated forecasts or conduct additional scenario analysis in future based on updated data.

## 2. Introduction

### Context

- 2.1 Advice services provide valuable support to individuals facing a wide range of challenges, and the Welsh Government is committed to supporting information and advice services which provide free and impartial advice. As stated in the Welsh Government's Information and advice quality framework (Welsh Government 2022), it is committed to strengthening information, advice, and guidance services aiming to help people to understand and exercise their rights and make informed decisions.
- 2.2 Advice services are funded through a number of channels including local and national government funding, health boards, utilities, charities, trusts and foundations.<sup>7</sup> In January 2020, the Welsh Government introduced the Single Advice Fund (SAF) consolidating its funding of advice services. Its aim is to ensure that funding for advice services is strategically planned, cost effective, and quality assured.
- 2.3 In 2020, a £8.04m grant funding was distributed to advice providers through the SAF to support innovative and integrated person-centred advice services to help people when they need it the most. The funding was allocated among six regions<sup>8</sup> and a Wales-wide remote advice service which included telephone and email advice options. Citizens Advice Cymru is the lead body in each advice consortium and provides sub-grants to their partners from its SAF grant award. These include local and national advice partners who deliver a broad range of advice services as well as access partners who focus on specific groups or advice issues. For instance, the partnership with Advicelink Cymru<sup>9</sup> provides quality assured advice on welfare benefits, debt, employment, education, housing, immigration and discrimination. This service also co-operates with various access partners, like Shelter Cymru and Barnardo's Cymru, who are experts in engaging particular target groups and communities across Wales. Advicelink Cymru reaches out to clients

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<sup>7</sup> Chapter 3 of the Justice in Wales for the people of Wales report. Available at: [Commission on Justice in Wales report \(Welsh Government\)](#)

<sup>8</sup> Cardiff and Vale, Swansea Bay, Gwent, Cwm Taf, Mid & West Wales, North Wales

<sup>9</sup> More information at: [Advicelink Cymru \(Citizens Advice\)](#)

proactively (often through these access partners) to offer advice services to those most in need before they are in crisis.

- 2.4 This effort is supported by the National Advice Network (NAN), which brings together key stakeholders including funders and advice providers and provides expert advice to Ministers in Wales on how to develop the provision of information and advice services throughout Wales. This includes spreading best practices, supporting collaboration, promoting quality services, and developing common outcome measures that enable the sector to demonstrate its value.

### **Research questions**

- 2.5 This analysis has been commissioned to ensure that advice services policy is based upon an objective assessment of need. Current levels of service provision are not a reliable indicator of the level of need in the population as provision is limited and guided by available funding, and some individuals may not seek advice even when they would benefit from it due to a lack of knowledge of advice services or of the issues they face. For instance, the Legal needs of individuals in England and Wales Survey found that “having lower levels of legal confidence and low perceptions that justice is accessible are associated with being less likely to obtain professional help” (The Legal Services Board and The Law Society, 2019).
- 2.6 The objective of this research is to provide updated quantitative estimates of current and future need for the next three financial years (2023/24, 2024/25, 2025/26) for social welfare information and advice in each Local Authority focusing on five areas of interest: (1) Welfare Benefits; (2) Debt; (3) Consumer and Finance; (4) Housing and Neighbour; (5) Employment.
- 2.7 Welfare benefit issues relate to eligibility for and access to benefits. This can be for prospective or existing claimants. Debt advice can be provided in relation to any form of debt including formal debts such as mortgage, credit card, loans etc. and informal debts such as loans from friends and family. Consumer and Finance advice can support individuals to deal with consumer rights issues. Many of the consumer and finance issues reported in Citizens Advice data relate to utilities<sup>10</sup> and fraud. Housing and neighbour advice can relate to issues with the standard of housing,

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<sup>10</sup> Citizens Advice (2023b). Tab: *Issues: Subjects* Filters: *Region: Wales, Category: Consumer goods & services, Financial services & capability*

housing affordability and security of tenure. Finally, employment advice can address conditions of employment, entitlements, job security and issues around dismissal among other issues.

- 2.8 A sixth area, discrimination, is likely to be a factor in advice needs for some individuals. While there is not sufficient data on which to model the prevalence of discrimination as an independent driver of advice needs, the research board agreed to consider the likely overlaps of advice needs in the five areas above with discrimination. That is, the proportion of estimated advice need in each category where discrimination is likely to be a factor.

### **Structure of report**

- 2.9 This report contains the following sections:
- 2.10 Section 3 contains a review of previous approaches to assessing the level of advice needs in the UK.
- 2.11 Section 4 covers our methodological approach. This includes how we have measured need, the statistical analysis we have undertaken and a discussion of the limitations of the approach taken.
- 2.12 Section 5 sets out our findings for each category of advice need for local authorities in Wales. It also includes some indicative scenario analysis to understand how changes in the economic outlook might affect the short-term need for advice.
- 2.13 Section 6 summarises the report's conclusions and outlines potential areas for further research.
- 2.14 Section 7 contains the report's bibliography.
- 2.15 The annexes in sections 8 to 11 present additional technical methodological detail and findings.

### **3. Review of previous approaches to quantifying advice needs**

3.1 We carried out a review of similar projects and engaged with subject matter experts in some categories of advice need (Money and Pension Service and Shelter Cymru). There is limited literature on modelling the need for social welfare information and advice.

3.2 Observed advice services provision and demand for advice services are unlikely to capture the full amount of need that exists in the population. This could be for several reasons. Service provision is constrained by available funding. Individuals who could benefit from advice may not come forward and try to access advice services. Individuals may also not recognise that they would benefit from social welfare advice.

3.3 As a result, studies have sought to use wider population-level data to understand the likely total level of population need. Previous work in the UK falls into three broad groups, with some overlap between groups.

- ad-hoc approaches based on observed links between advice need and individual characteristics
- survey-based approaches
- modelling approaches

#### **Approaches which link advice need to specific population characteristics**

3.4 In these examples, the goal has tended to be to identify drivers for advice need, without producing estimates of need. For instance, in a review of advice services in London (Advice Services Alliance, 2020), the authors hypothesised, based on qualitative evidence from interviews and advice services data, that the following indicators predict the need for advice:

- immigration status
- employment status
- income and debt
- benefits and welfare

3.5 They produced maps of London based on the indicators including the number of benefit claimants and the proportion of the population earning less than the living

wage. However, they did not conduct further analysis on these indicators, or produce estimates of the level of advice need across London as a whole.

3.6 Similarly, a review of publicly funded advice services in Scotland (Stevenson, 2018) considers drivers of advice need without trying to estimate levels of need. The review identifies the following broad categories of drivers and highlights that there will be interplay between them. These categories are:

- life events such as changes in household composition or material circumstances of households
- changes in macroeconomic circumstances or government policies
- the level of human and social capital that individuals have

3.7 The review also links poverty to advice need and points to a range of groups who are more likely to need advice services due to the increased likelihood that they will experience poverty, drawing on Gibbons and Foster (2014). Among others, this includes people in receipt of out of work benefits; families with children; pensioner households; minority ethnic groups, and asylum seekers.

3.8 These approaches are suitable to provide a broad understanding of advice need in the context of evaluations, but do not provide detailed estimates of levels or changes in advice need. Indeed, the study in Scotland points to “insufficient literature articulating need across the wider advice sector currently, which makes it challenging to draw specific conclusions in respect of unmet need”. As a result, we have focused more attention on studies which attempt to fill this gap by quantitatively estimating advice needs.

### **Surveys which explore “legal issues” across the population**

3.9 Survey-based approaches are better suited to estimating the prevalence of advice need at a national level. They are not dependent only on data about individuals who use advice services, they can be constructed to be representative of the broader population and they can target wider measures of need. However, without further analytical work, the sample size needed to estimate needs at sub-national levels requires a large survey with considerable resources. An additional challenge is that some population groups who are likely to have high advice needs are likely to be systematically underrepresented in surveys. Notably, this will include many

individuals experiencing homelessness including rough sleepers or those living in temporary accommodation. It will also include older adults living in residential care and students living in halls of residence<sup>11</sup>.

- 3.10 Examples of this approach are the analyses of the English and Welsh Civil and Social Justice Panel Survey in Pleasence et al. (2010) and Pleasence et al. (2011) and Balmer (2013). This survey focuses on the incidence, impact, and resolution of civil justice problems across a range of categories including housing and employment. Balmer (2013) found that 32% of respondents (among a sample of 3,911 respondents over 16 years old in England and Wales) reported having experienced a civil justice problem. Problems were more concentrated in vulnerable groups such as those with a long-term limiting disability or those on benefits. Subsequent surveys including the Legal Problem and Resolution Survey, 2014-15 and Legal Needs of Individuals in England and Wales Survey, 2019-20 have continued to measure the incidence of legal needs but have adapted the methodology and survey approach so results are not necessarily comparable across surveys.
- 3.11 One common thread across surveys is that a large proportion of individuals who experience issues do not seek advice from professional sources. For example, in 2020, 34% of people who had had a legal issue (out of a representative sample of 28,663 people from across England and Wales) in the past 4 years didn't receive any help at all (The Legal Services Board and The Law Society, 2020). Of the 66% who did seek help, a further 11% received help from friends and family leaving 55% who received professional help.

### **Modelling approaches to estimating advice needs**

- 3.12 Building on survey data, there have been a small number of projects which have estimated sub-national advice needs. This includes the previous Welsh Government research in this area (Welsh Government, 2017), and Money and Pensions Service (MaPS) (Das, 2021; Das, 2022) work to estimate the need for debt advice. MaPS is currently conducting research to update its Need for Debt Advice measure using insights from the literature and statistical analysis (Das, 2021).

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<sup>11</sup> See Balmer (2013) for a more detailed discussion of the limitations of the sample frame for the Civil and Social Justice Panel Survey.



- 3.13 The current work by MaPS (Das, 2021) was based on: an external literature review of research on early indicators that help predict the need for debt advice (particularly socio-economic precursors and behavioural indicators), and subsequent statistical analysis of the data gathered through the 2021 Debt Need Survey of 22,000 UK adults. The literature review showed that many of the indicators are the same as those collected in the annual Debt Need Survey. Those questions were:
- whether the respondents were regularly behind with bills and credit;
  - whether they had to deal with debt arrears;
  - whether they faced adverse events like legal action or contact from bailiffs;
  - whether they used high-cost credit.
- 3.14 Findings have shown that the characteristics of people in debt advice need can vary widely with young people (usually under 30 years of age) and low-income households (less than £20k per year) being the most prominent groups. The survey can provide estimates of the national prevalence of debt advice needs. MaPS are also using economic modelling techniques to go on to estimate debt advice needs at the local authority level. This work is instructive but only covers the category of debt advice, there is no research of comparable quality in other categories of advice need and carrying out such research is beyond the scope of this project. Furthermore, MaPS do not currently predict future levels of debt advice needs.
- 3.15 The previous work on modelling the need for advice in Wales combines information from two main datasets, predominantly derived from the Civil and Social Justice Panel Survey and the National Survey for Wales (Welsh Government, 2017). A generalised linear regression model<sup>12</sup> was fitted to data sourced from the Civil and Social Justice Panel Survey and the National Survey for Wales. The first dataset was used to provide predictors of need for advice based on national level prevalence, while the second dataset was used to estimate the prevalence of need at a local authority level.

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<sup>12</sup> This approach allows flexibility when modelling prevalence of need. More detail on the rationale for this choice is provided in Welsh Government (2017).

- 3.16 The study used the findings from the Civil and Social Justice Panel Survey on the types of justiciable problems experienced by respondents<sup>13</sup>. These insights along with demographic data from the survey and some additional data from other sources were used to derive the dependent variables for the models. The National Survey for Wales does not include any information on justiciable problems but included the independent variables used in the regression models. This allowed for prevalence estimates to be calculated for each local authority despite the survey sample size not being large enough to estimate results at that level. The findings showed the distribution of different types of justiciable problems throughout Wales.
- 3.17 By basing estimates on prevalence figures from the Civil and Social Justice Panel Survey, this study was able to observe overlaps between individuals who reported experiencing legal issues in more than one category. However, this did mean that the estimates of need were based on the definition of legal need adopted by the survey, and captured issues experienced by people sampled in the survey. As discussed in paragraph 3.9 and in Balmer (2013), some groups were likely to have been underrepresented in the sample. This includes groups who we judge are very likely to have advice needs (in particular, individuals in temporary accommodation or experiencing homelessness).

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<sup>13</sup> “Justiciable” problems refer to matters that raise legal issues and could ultimately result in court action or legal procedures if not resolved (Welsh Government 2017).

## **4. Methodology**

### **Measures of need**

- 4.1 The main challenge with assessing the current and future levels of advice need is that need is not observable. Current need could, in principle, be approximated by the level of service provision; however, one of the findings from our review of the literature and discussions with sector experts is that the current level of service provision is unlikely to be a reliable indicator of the level of need in the population. First, provision is determined by available funding, and hence it reflects supply of advice services rather than the demand for services. Second, some individuals may not seek advice even when they would benefit from it due to a lack of knowledge of advice services or of the issues they face.
- 4.2 Our measure of need is based on survey data capturing the number of individuals who could benefit from advice services. For example, need associated with debt advice is approximated by the number of individuals who have been in arrears on bills or council tax, and need associated with employment is measured by the number of individuals who perceive that they have poor job security or very low job satisfaction.
- 4.3 The motivation of this approach is twofold. First, it is theoretically sound as it provides a sensible approximation of the total number of people who might seek advice. Second, it is practical as there are sufficient data to implement the advice need measures at the national and LA level. In addition, the approach is consistent with previous work in this area undertaken for the Welsh Government (Welsh Government, 2017) and the Money and Pensions Service (Das, 2021; Das, 2022) where a measure of need is constructed from survey data.
- 4.4 The data are primarily drawn from the Understanding Society study (also known as the UK Household Longitudinal Study). This is a study based on an annual survey of the UK population which collects a large range of data from individuals and households and has been running in its current form for 12 years (building on the earlier British Household Panel Survey).
- 4.5 Understanding Society data has several advantages for this research. First, there is a time series of consistent data collection stretching back over a decade. Second, it

collects a rich variety of information about participants, allowing us to develop measures to capture a range of advice needs. Finally, relying on a single primary source of data helps us minimise the issue of double counting, which could lead to bias in our results, as we might inadvertently count the same individuals multiple times in different datasets<sup>14</sup>. Data from Understanding Society was only supplemented by other datasets in specific areas where it was not well suited to assessing levels of advice need.<sup>15</sup> All data used in this study are set out in Annex A.

4.6 The measure of need for each category within the scope of the study is set out below. These measures were determined by the literature, by data availability, and discussions with the research steering board for this project (including representatives from the Welsh Government and NAN) and sector experts. Further details on how the need measures were constructed are provided in Annex B.

**Table 4.1: Measures of need by advice category**

Category	Measure of need
Welfare benefits	Total need is a subset of the total number of claimants of a wide range of benefits <sup>16</sup> . This approach aims to capture three groups of individuals: <ol style="list-style-type: none"> <li>1. Individuals who are making new claims.</li> <li>2. Individuals who are currently facing reassessment or sanctions.</li> <li>3. Individuals who may be eligible for benefits but are currently not claiming them.</li> </ol>
Debt	Total need is based on individuals who have been in arrears on bills or council tax in the last year.

<sup>14</sup> The Limitations section of this methodology provides more detail on how we handled this risk.

<sup>15</sup> When face-to-face interviewing was suspended due to COVID-19, all adult sample members were invited to complete their annual interview online, with a telephone follow-up for non-responders. The changes to the survey context and modes affected the representativeness of respondents. There were small but significant differences in the responding sample in 2020. For more details, see: [COVID-19 and mode selection effects in Understanding Society](#). The change in the sample composition is unlikely to have a material impact on our results since the 2020 data played a relatively small part in estimation and forecasting.

<sup>16</sup> Incapacity Benefit Employment and Support Allowance, Severe Disablement Allowance, Carer's Allowance, Disability Living Allowance, Attendance Allowance, Personal Independence Payments, Pension credit, Income Support, Job Seeker's Allowance, Universal credit.

Employment	Total need is based on number of individuals who perceive that they have poor job security, or very low job satisfaction.
Housing & Neighbour	Total need is based on three groups of individuals: Those having issues with the condition of their home. Those having issues with paying for housing. Those experiencing homelessness.
Consumer and finance	Total need is based on a combination of issues relating to energy, and issues relating to fraud. Namely, the number of people for whom energy prices are over 20% of household income or are struggling to heat their home and the rate of fraud in the population.

4.7 In each category, we first estimate what proportion of individuals responding to Understanding Society in each specific local authority have an advice need. This proportion is then supplemented with data from other sources as described in Annex B to arrive at a final proportion of individuals in need in each category and in each local authority. We then use this figure, and the over-16 population in each local authority to estimate the number of individuals in each local authority with an advice need.

4.8 A sixth category of advice need, discrimination, was also considered. It is challenging to measure the extent to which individuals need advice because of experiencing discrimination. To our knowledge, there is no source that provides the detailed data needed to estimate the need for advice about discrimination. In addition, advice needs relating to discrimination are likely to be experienced alongside advice needs in other areas. For instance, experiencing discrimination in the workplace could be the reason why people seek employment advice.

4.9 We therefore consider the likely number of advice needs in the five areas above (welfare benefits, debt, employment, housing & neighbour and consumer & finance) which are likely to involve discrimination. That is, the proportion of estimated advice need in each category where discrimination is likely to be a factor. Citizens Advice data tracks the occurrence of discrimination as a factor in other advice needs by

category<sup>17</sup>. We took the proportion of Citizens Advice cases in each category where discrimination was recorded as a factor between July 2022 and January 2023. We then applied that proportion to our estimates of need in the five categories above to estimate the proportion of advice needs in Wales that are likely to involve discrimination. This approach was agreed with the research board.

4.10 Within each category, we calculate the number of people with an advice need (that is, people who would benefit from advice, whether or not they seek it out). However, the datasets we have used to create the estimates in each category cannot all be linked at the level of the individual. This means that if we combine the number of people with a need in each category to create a figure for the number of people across all categories with an advice need, we risk double counting individuals. Instead, we present a total figure for the number of advice issues, acknowledging that the total number of people will be lower due to some individuals having needs across multiple categories.

### Statistical models

4.11 The advice need measures were constructed for each year from 2009/2010 to 2020/2021 using the data discussed above.<sup>18</sup> Data from 2021/2022 onwards were not available at the time this study was conducted and were estimated or forecasted using statistical models. The statistical models were estimated using historical data and exploiting the link between advice need and socio-economic variables. For example, the model for employment advice uses the positive correlation between demand for employment-related advice services and unemployment rate to estimate current and future need.

4.12 The list of variables used for each area-specific model is shown in Table 4.2.

**Table 4.2: Statistical model specification**

Advice area	Variables
Welfare need	Lag <sup>19</sup> welfare need, lag wage growth rate, population

<sup>17</sup>Citizens Advice (2023a). Tab: *Discrimination*

<sup>18</sup> The need estimates and forecasts generated in this study refer to financial years. Where forecast data was only available for a calendar year this was mapped to the financial year, e.g., data for 2021 was used for financial year 2020/21.

<sup>19</sup> The term lag refers to where data is used from a previous period. In this case the lag of welfare need in a given year is the level of welfare need in the previous year.

Debt need	Lag debt need, lag wage growth rate, lag average mortgage rate <sup>20</sup>
Employment need	Lag employment need, unemployment rate, real GDP per capita growth rate
Housing & Neighbour need	Lag housing & neighbour need, lag average mortgage rate, unemployment rate
Consumer & Finance need	Real GDP per capita growth rate, lag wage growth rate, lag gas prices

- 4.13 To arrive at these model specifications, we followed a two-step approach. In the first step, we identified potential variables that could be correlated with need measures using economic theory and judgement<sup>21</sup>. In the second step, we tested the variables from the first step, considering different variable transformations and combinations. The final models were chosen using statistical criteria (e.g., statistically insignificant variables were dropped, and models with best fit were chosen).<sup>22</sup> The exact model specification (first difference and log transformations), coefficient estimates, and model fit statistics are presented in Annex C. Results are presented in Table 5.1.
- 4.14 Apart from socio-economic factors, it is possible that structural changes, such as changes in the welfare system, impact the need for advice. Notwithstanding this, these changes are difficult to model because their effects unfold gradually over a long period of time and it is not possible to forecast future changes in coming years. Consequently, the statistical models did not incorporate structural factors.<sup>23</sup>

### **Need forecasts**

- 4.15 After establishing the relationship between advice need and socio-economic variables, we (1) estimated need for 2021/2022 and 2022/2023 using realised (historical) values of the socio-economic variables and (2) forecasted need for the period between 2023/2024 and 2025/2026 using forecasted values of the socio-economic variables. The forecasted values were obtained from the Office for

<sup>20</sup> We did not test other interest rate measures because mortgage rates are theoretically the most closely linked to debt needs. The statistical analysis also found a strong link between mortgage rates and debt advice needs.

<sup>21</sup> We focused on variables where there were OBR forecasts available. This ruled out some potentially relevant variables such as rental prices.

<sup>22</sup> Other variables tested include real household disposable income, oil prices and real GDP growth rate. These variables did not improve the model performance, and hence they were excluded.

<sup>23</sup> The models captured the impact of COVID-19 through the socio-economic variables, e.g., COVID-19 reduced GDP and increased unemployment, which in turn increased the need for advice services.

Budget Responsibility (OBR)<sup>24</sup> and the Welsh Government. Annex A provides more details.

- 4.16 In addition to our central forecasts, we developed alternative sets of forecasts using different assumptions with the aim of exploring the sensitivity of our forecasts to alternative macroeconomic scenarios. These scenarios together with the results are set out in the next section.

### **Limitations**

- 4.17 The measure of need used in this study attempts to capture the number of people who would benefit from advice services. It is recognised that our measure of need approximates actual need, which is challenging to pinpoint accurately or validate using alternative sources of information. We have worked with the research board to ensure that we have taken reasonable approaches to capturing need in each category.
- 4.18 We use data from more than one source to estimate the level of advice need in some categories. For instance, we combine Welsh Government data on homelessness with Understanding Society data on housing affordability issues to estimate the need for housing advice. There is a risk that the same individual is counted as having an advice need in each dataset and they are therefore counted twice in our final assessment of need. We have managed this risk by only combining data sources where we think it is unlikely that significant overlaps exist (e.g., individuals experiencing homelessness are unlikely to be captured in the Understanding Society survey frame), but we cannot eliminate the possibility of double counting entirely.
- 4.19 The Understanding Society survey is based on a sample of individuals. In some LAs, the number of individuals surveyed in each wave is relatively small, meaning that our estimates and forecasts may be subject to non-trivial sampling error<sup>25</sup>. Specifically, for the LAs of Conwy, Denbighshire, Wrexham, Ceredigion, Blaenau

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<sup>24</sup> We used the OBR forecasts published in April 2023. Available at: [The economy forecast \(OBR\)](#)

<sup>25</sup> This would occur if the individuals sampled were not representative of the wider population of that local authority and therefore conclusions drawn from data for the sampled individuals would not be valid for the wider population.



Gwent, Monmouthshire, and Merthyr Tydfil, the sample size consists of fewer than 100 individuals.

- 4.20 The issues associated with small sample size are exacerbated by the fact that more than one individual from the same household or family may be surveyed during the same wave. The impact of this is that, in a household where there is an advice need that is assessed using household information e.g., high energy bills as a percentage of household income, then each adult surveyed in that household would be assessed as having an advice need<sup>26</sup>. This is reasonable as each adult may benefit from advice. However, it may overstate the level of resource needed to support these individuals as the provision of advice to one household may resolve the advice need for both individuals. An alternative approach would be to only count advice needs at a household level. However, this would not capture the fact that individuals in the same household or family can have different advice needs. We have therefore consistently assessed need at individual level across all categories.
- 4.21 To mitigate the potential estimation error related to small sample sizes, we implemented a shrinkage approach. In this method, the need estimates for each LA are calculated as weighted averages of three components: the LA-specific estimate of the proportion of individuals with an advice need, the Health Board estimate, and the estimate for the whole of Wales.<sup>27</sup> In other words, the LA need estimate has been shrunk towards the Health Board and the country average need estimates.
- 4.22 The precision of our forecasts is predominantly contingent upon two fundamental assumptions. Firstly, the time invariant relationship between need and socio-economic variables, and secondly, the realisation of the socio-economic forecasts provided by the OBR and Welsh Government. Notable deviations from these assumptions have the potential to compromise the accuracy of our forecasts.

### **Quality assurance**

- 4.23 To ensure the quality of all deliverables of this study, we followed a set of Quality Assurance (QA) procedures. The approach was reviewed and agreed upon with the project research board which met four times during the project. Additional meetings

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<sup>26</sup> The three categories of advice need that are assessed at least partly on household information are housing & neighbour needs, debt needs and consumer & finance needs.

<sup>27</sup> The weights are 1/3 for all three geographical areas.

were also held with the Welsh Government, the Money and Pensions Service<sup>28</sup> and Shelter Cymru<sup>29</sup> to ensure that our approach was informed by the views of sector experts.

- 4.24 The programming code used for the data cleaning and statistical analysis was reviewed by an Alma Economics analyst, independent of the project team, and checked for coding errors. The econometric analysis, including model specification and model selection procedure, was quality assured by senior Alma staff who were not directly involved in the work.

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<sup>28</sup> Meeting held on 28/03/2023. Discussed MaPS research on debt advice needs and theoretical approaches to constructing local authority forecasts from survey data.

<sup>29</sup> Meeting held on 28/04/2023. Discussed the types of housing advice need that can emerge and how these might be captured.

## 5. Findings

### Key findings:

- Total levels of need are higher than current levels of service provision, resulting in unmet need. Individuals who would benefit from receiving advice are therefore making decisions without the information and support they need.
- Advice needs vary by category – we estimate that welfare advice needs are most prevalent, followed by consumer and finance, housing and neighbour, debt, and employment. However, there are likely to be significant overlaps with individuals having advice needs in multiple categories.
- Our model shows how alternative scenarios for the future economic environment can impact the number in need of advice. However, even in positive scenarios where the macroeconomic outlook is better than currently expected, the total number in need of advice remains significantly above current levels of service provision.
- There were no large differences between the pattern of need in urban and rural areas.

5.1 This section sets out our findings. It starts with the results of our regression analysis to explore relationships between advice need and other socio-economic factors. We then present the estimated total number of advice issues (in Wales and by local authority area in 2022/23) and consider each category of need in turn before covering how needs are likely to evolve in the coming years based on current forecasts and additional scenarios.

### **Relationships between advice need and other socio-economic factors**

5.2 As described in the methodology section, we constructed a time series of advice need based on historical data. We then conducted statistical analysis to explore the links between our measures of advice need and other socio-economic factors in order to facilitate the modelling of future levels of advice need. Table 5.1 describes the relationships that were observed. The process for estimating these relationships is described in more detail in the methodology section and in Annex A and full regression specifications are also included in Annex C.

**Table 5.1 Relationship between estimates of need and socio-economic factors at local authority level**

Category	Socio-economic factor	Relationship
Welfare benefits	Growth rate of average wages (1 year lag)	1 percentage point increase <sup>30</sup> in growth rate of average wages is associated with 1.6% lower need for welfare benefits advice.
	Local authority population	1% of population growth is associated with 3.2% higher need for welfare benefits advice.
Debt	Average mortgage rates (1 year lag)	1 percentage point of higher mortgage rates in the previous year is associated with 31% increased need for debt advice.
	Growth rate of average wages (1 year lag)	1 percentage point increase in growth rate of average wages is associated with 3.7% lower need for debt advice.
Employment	Unemployment rate	1 percentage point higher unemployment rate is associated with 5.5% higher need for employment advice.
	Local GDP per capita growth (1 year lag)	1 percentage point increase in growth rate of average wages is associated with 3.7% lower need for debt advice.
Housing & Neighbour	Average mortgage rates (1 year lag)	1 percentage point higher mortgage rate in previous year is associated with 46% higher need for housing and neighbour advice.
	Unemployment rate	1 percentage point higher unemployment rate is associated with 3.8% higher need for housing and neighbour advice.
Consumer & Finance	Local GDP per capita growth	1 percentage point higher GDP per capita growth in the previous year is associated with 0.62% lower need for consumer and finance advice.

<sup>30</sup> A one percentage point increase would be going from 2% to 3%. A one percent increase would be an indicator going from 100 to 101.

Gas prices (1 year lag)	1% higher gas price in previous year is associated with 0.3% higher need for consumer and finance advice.
Growth rate of average wages (1 year lag)	1 percentage point increase in growth rate of average wages is associated with 10% lower need for consumer and finance advice.

**Notes:** Alma Economics calculations. All numbers reported to two significant figures.

- 5.3 We found that higher wage growth and higher GDP per capita growth is associated with lower advice needs in multiple categories. By contrast, higher unemployment, higher gas prices and higher population are all associated with higher advice needs.
- 5.4 We also found that higher average mortgage rates were associated with higher need for debt advice and housing & neighbour advice. We would expect this as higher mortgage rates impact both housing affordability and the overall cost of living.
- 5.5 We found that a one percentage point change in average mortgage rates has a larger impact on advice need than a one percentage point change in the other socio-economic factors we considered. This reflects the strong correlation between advice need and mortgage rates and the fact that average mortgage rates are less volatile than many other series e.g., a one percentage point change in mortgage rates is a much bigger relative change than a one percent change in gas prices. Average mortgage rates are less volatile than some other measures of interest rates because they reflect the fact that, for most homeowners, their mortgage rates don't immediately adjust to match changes in interest rates. Instead, the mortgage rates people pay are often fixed for a period.

### **Levels of advice need**

- 5.6 The relationships in Table 5.1 were then used to nowcast and forecast levels of advice need based on forecasts of the socioeconomic factors listed above and population projections. The results from this analysis are presented below.
- 5.7 The models developed are predictive in the sense that they identify correlations rather than causal relationships and therefore they should be interpreted within this context. In particular, differences between forecasts for different local authorities are

driven by variations in macroeconomic forecasts and differences in the historical measures of need, which are taken as the point of departure for our forecasts.

#### *Total levels of advice need*

- 5.8 Table 5.2 sets out the estimated total number of advice issues in Wales in 2022/23. The total number of estimated advice needs across the five categories included is 916,000. The local authority estimated to have the largest number of advice needs is Cardiff (100,000), and the lowest figure recorded is for Merthyr Tydfil (18,000). It is highly likely that some individuals will have multiple, overlapping advice needs. For instance, individuals struggling with housing affordability issues could benefit from debt or welfare advice in addition to housing advice. Therefore, the number of issues reported below is likely to be higher than the total number of people who would benefit from receiving advice. However, supporting an individual with multiple advice needs may still require multiple specialist advice professionals, so the total number of issues is still a relevant figure when considering the total level of need in the population.
- 5.9 These figures suggest that the number of issues is much greater than the current provision of advice services. For comparison, data from Citizens Advice Cymru (the largest single advice provider) shows that they supported 130,000 individuals with nearly 230,000 issues in total in Wales between May 2022 and May 2023.<sup>31</sup> This is only an indicative comparison as there are other advice providers and Citizens Advice Cymru data includes a wider range of advice need categories than we have considered (e.g., issues relating to immigration, tax and travel and transport are included as separate categories). These issues were outside the scope of the report commissioned by the Welsh Government. However, most recorded issues fall under the categories considered in this report and the largest two categories recorded by Citizens Advice are issues relating to benefits and debt (over 100,000 issues combined).
- 5.10 As expected, the number of issues is highest in the most populous local authorities such as Cardiff, Swansea and Rhondda Cynon Taf. We consider differences between urban and rural local authorities later in this section.

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<sup>31</sup> Citizens Advice (2023b). Tab: *People: Count* Filters: *Region: Wales*

**Table 5.2: Number of advice issues (2022/23)**

Local Authority	Number of issues
Isle of Anglesey	21,000
Gwynedd	34,000
Conwy	38,000
Denbighshire	24,000
Flintshire	38,000
Wrexham	33,000
Ceredigion	25,000
Pembrokeshire	39,000
Carmarthenshire	63,000
Swansea	74,000
Neath Port Talbot	49,000
Bridgend	46,000
Vale of Glamorgan	32,000
Cardiff	100,000
Rhondda Cynon Taf	70,000
Caerphilly	52,000
Blaenau Gwent	20,000
Torfaen	26,000
Monmouthshire	31,000
Newport	44,000
Powys	40,000
Merthyr Tydfil	18,000
<b>Wales</b>	<b>916,000</b>

**Notes:** Alma Economics calculations. All figures rounded to nearest thousand. Individuals can have advice issues in multiple categories so the number of individuals with advice needs will be lower than the total number of advice issues recorded here.

### *Welfare benefits*

- 5.11 Need for advice about benefits is one of the most frequently cited reasons for individuals seeking advice<sup>32</sup>. Needs in this area can encompass issues including eligibility, application processes, reassessment, and sanctions processes.
- 5.12 We estimate that across Wales 296,000 individuals, 11% of the population, would have benefited from advice services related to welfare in 2022/23. The total level of estimated need is plausible when compared to administrative data about the

<sup>32</sup> Citizens Advice (2023b). Tab: *People: Count* Filters: *Region: Wales*

number of claimants of key benefits in Wales. For instance, in July 2023, 297,244 people were on Universal Credit<sup>33</sup> and 242,144 people were receiving Personal Independence Payments<sup>34</sup>. Every individual receiving welfare benefits will not have an advice need, but many could benefit from advice relating to eligibility and assessment, while some individuals not currently receiving benefits would also need advice in this category.

5.13 The areas with the highest number of individuals with a welfare advice need were Rhondda Cynon Taf, Cardiff and Swansea. This is driven by the large populations and the large number of benefit claimants in these areas (for instance, these areas are the three Welsh local authorities with the highest number of claimants of Universal Credit). Table 5.3 sets out estimates for the level of need in each local authority in 2022/23 in absolute terms and as a percentage of the local population.

5.14 The local authorities with the highest percentage of their population in need are Rhondda Cynon Taf (16%), Merthyr Tydfil, Bridgend, Neath Port Talbot and Ceredigion (all 14%). We would expect higher levels of welfare advice needs in areas of higher deprivation. Indeed, our findings are consistent with data from the National Survey for Wales which shows that Rhondda Cynon Taf and Neath Port Talbot were the local authorities with the largest proportion of people living in material deprivation in 2022/23<sup>35</sup>. Levels of deprivation were also above the Welsh average in Ceredigion and Merthyr Tydfil and average in Bridgend (Welsh Government 2023b).

5.15 The local authorities with the lowest percentage of their population in need were Wrexham and Cardiff (with 8% each). The National Survey for Wales suggests these areas had average or below average levels of deprivation.

**Table 5.3: Need for welfare benefits advice (2022/23)**

Local Authority	Number of people	% of population (16+)
Isle of Anglesey	6,000	11%
Gwynedd	13,000	12%
Conwy	12,000	13%
Denbighshire	8,000	10%
Flintshire	13,000	10%

<sup>33</sup> Data available at [Stat-Xplore \(DWP\)](#). Dataset is People on Universal Credit.

<sup>34</sup> Data available at [Stat-Xplore \(DWP\)](#). Dataset is PIP Cases with Entitlement.

<sup>35</sup> Material deprivation is a measure of living standards based on a person's ability to buy goods and services.



Wrexham	9,000	8%
Ceredigion	8,000	14%
Pembrokeshire	13,000	12%
Carmarthenshire	18,000	12%
Swansea	25,000	12%
Neath Port Talbot	17,000	14%
Bridgend	17,000	14%
Vale of Glamorgan	10,000	9%
Cardiff	23,000	8%
Rhondda Cynon Taf	31,000	16%
Caerphilly	18,000	12%
Blaenau Gwent	7,000	12%
Torfaen	8,000	11%
Monmouthshire	7,000	9%
Newport	14,000	11%
Powys	12,000	11%
Merthyr Tydfil	7,000	14%
<b>Wales</b>	<b>296,000</b>	<b>11%</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

### *Debt*

- 5.16 Issues relating to debt are another commonly cited reason for seeking advice. Debt advice can help individuals manage current debts alongside other financial commitments. We estimate that a total of 153,000 people (6% of the 16+ population) would benefit from debt advice. This figure is slightly lower than estimates from the Money & Pensions Service. Their work is based on a large survey of debt needs and uses a different basis for assessing need. However, we believe the estimates are broadly comparable as some of the affordability issues that we have classed as generating a need in other categories (e.g. where the issue relates to housing or energy) could also be thought of as generating a need for debt advice and this would bring our estimates closer to those of the Money & Pensions Service.
- 5.17 Table 5.4 sets out the estimated number of people and the share of the population who need debt advice by local authority.
- 5.18 The local authorities with the highest percentage of their population in debt advice need are Carmarthenshire and Pembrokeshire (with 9% each). This was driven by

larger numbers of Understanding Society respondents in these areas reporting that they were behind on bills or struggling to pay council tax. However, most local authorities have between 4% and 6% of the population in need.

**Table 5.4: Need for debt advice (2022/23)**

Local Authority	Number of people	% of population (16+)
Isle of Anglesey	4,000	6%
Gwynedd	5,000	5%
Conwy	5,000	5%
Denbighshire	3,000	4%
Flintshire	6,000	4%
Wrexham	6,000	6%
Ceredigion	5,000	8%
Pembrokeshire	9,000	9%
Carmarthenshire	14,000	9%
Swansea	13,000	6%
Neath Port Talbot	8,000	7%
Bridgend	7,000	6%
Vale of Glamorgan	6,000	5%
Cardiff	18,000	6%
Rhondda Cynon Taf	9,000	4%
Caerphilly	8,000	5%
Blaenau Gwent	4,000	7%
Torfaen	5,000	6%
Monmouthshire	5,000	7%
Newport	6,000	5%
Powys	6,000	6%
Merthyr Tydfil	2,000	5%
<b>Wales</b>	<b>153,000</b>	<b>6%</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

### *Employment*

- 5.19 We estimate that 119,000 people could benefit from advice regarding employment issues. Among the five categories of need, this is the least prevalent. Still, a significant share of the population in Wales (5% of the 16+ population) may need this type of advice. Employment advice can include support with terms and conditions of a job position, payment and entitlements, parental and carer's rights, dispute resolution, and resignation, dismissal or redundancy issues. The local authorities with higher advice need are those with higher populations (especially Cardiff and Rhondda Cynon Taf).

- 5.20 Table 5.5 sets out the estimated number of people who need employment advice and the percentage of the population in each local authority.
- 5.21 The local authorities with the highest proportion of their population in need of employment advice were Monmouthshire and Merthyr Tydfil. This reflects higher number of individuals in these areas raising concerns about job security or job satisfaction in responses to Understanding Society. As with debt needs, most local authorities are tightly clustered around the 5% average figure.

**Table 5.5: Need for employment advice (2022/23)**

Local Authority	Number of people	% of population (16+)
Isle of Anglesey	2,000	4%
Gwynedd	3,000	3%
Conwy	3,000	3%
Denbighshire	4,000	6%
Flintshire	5,000	4%
Wrexham	4,000	3%
Ceredigion	3,000	6%
Pembrokeshire	3,000	3%
Carmarthenshire	5,000	3%
Swansea	10,000	5%
Neath Port Talbot	5,000	4%
Bridgend	7,000	5%
Vale of Glamorgan	3,000	3%
Cardiff	14,000	5%
Rhondda Cynon Taf	12,000	6%
Caerphilly	8,000	6%
Blaenau Gwent	2,000	4%
Torfaen	3,000	3%
Monmouthshire	7,000	8%
Newport	5,000	4%
Powys	5,000	5%
Merthyr Tydfil	3,000	7%
<b>Wales</b>	<b>119,000</b>	<b>5%</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

### *Housing & Neighbour*

- 5.22 We estimate that there are 169,000 individuals (6% of the 16+ population) who would benefit from advice related to housing and neighbouring issues. Such issues may include support with social housing or private sector rented property, homelessness, and environmental or neighbouring problems. Cardiff has both the

highest absolute level of advice need and high levels of need as a proportion of the population. This is in line with homelessness data from the Welsh Government which shows that homelessness in Cardiff is higher than elsewhere in Wales<sup>36</sup>. Other areas with high levels of housing & neighbour advice needs were Newport and Carmarthenshire which, again, is in line with high levels of homelessness in these areas relative to their population.

5.23 Table 5.6 presents the estimated number of people who need housing and neighbouring advice by local authority and the percentage of the population in each local authority.

**Table 5.6: Need for housing & neighbour advice (2022/23)**

Local Authority	Number of people	% of population (16+)
Isle of Anglesey	4,000	7%
Gwynedd	6,000	6%
Conwy	8,000	8%
Denbighshire	5,000	6%
Flintshire	7,000	5%
Wrexham	6,000	6%
Ceredigion	4,000	6%
Pembrokeshire	6,000	6%
Carmarthenshire	14,000	9%
Swansea	10,000	5%
Neath Port Talbot	6,000	5%
Bridgend	8,000	6%
Vale of Glamorgan	6,000	5%
Cardiff	23,000	8%
Rhondda Cynon Taf	9,000	4%
Caerphilly	11,000	7%
Blaenau Gwent	4,000	7%
Torfaen	6,000	7%
Monmouthshire	6,000	7%
Newport	12,000	9%
Powys	8,000	7%
Merthyr Tydfil	3,000	5%
<b>Wales</b>	<b>169,000</b>	<b>6%</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

<sup>36</sup> 2022-23 data (Welsh Government 2023a)

### *Consumer & Finance*

- 5.24 Consumer and finance advice need is the second most common category of need. We estimate that more than 179,000 individuals (7% of the 16+ population) in Wales could benefit from this type of advice. Consumer and finance advice can include matters related to energy and heating systems, insurance, savings, and pensions as well as issues relating to fraud or scams. Among local authorities, Cardiff and Swansea have the largest number of people with an advice need.
- 5.25 The areas with the highest level of need as a proportion of the population are Conwy (10%) and Neath Port Talbot (11%). This was driven by larger than average numbers of respondents to Understanding Society expressing challenges with heating their homes or spending greater than 20% of household income on fuel. The area with the lowest proportional need was Rhondda Cynon Taf (4%).
- 5.26 Table 5.7 presents by local authority the estimated number of people that could benefit from consumer and finance advice and the percentage of the population in each local authority.

**Table 5.7: Need for consumer & finance advice – number (2022/23)**

Local Authority	Number of people	% of population (16+)
Isle of Anglesey	5,000	8%
Gwynedd	7,000	6%
Conwy	10,000	10%
Denbighshire	4,000	5%
Flintshire	7,000	6%
Wrexham	8,000	7%
Ceredigion	5,000	9%
Pembrokeshire	8,000	7%
Carmarthenshire	12,000	8%
Swansea	16,000	8%
Neath Port Talbot	13,000	11%
Bridgend	7,000	5%
Vale of Glamorgan	7,000	6%
Cardiff	22,000	7%
Rhondda Cynon Taf	9,000	4%
Caerphilly	7,000	5%
Blaenau Gwent	3,000	5%
Torfaen	4,000	5%

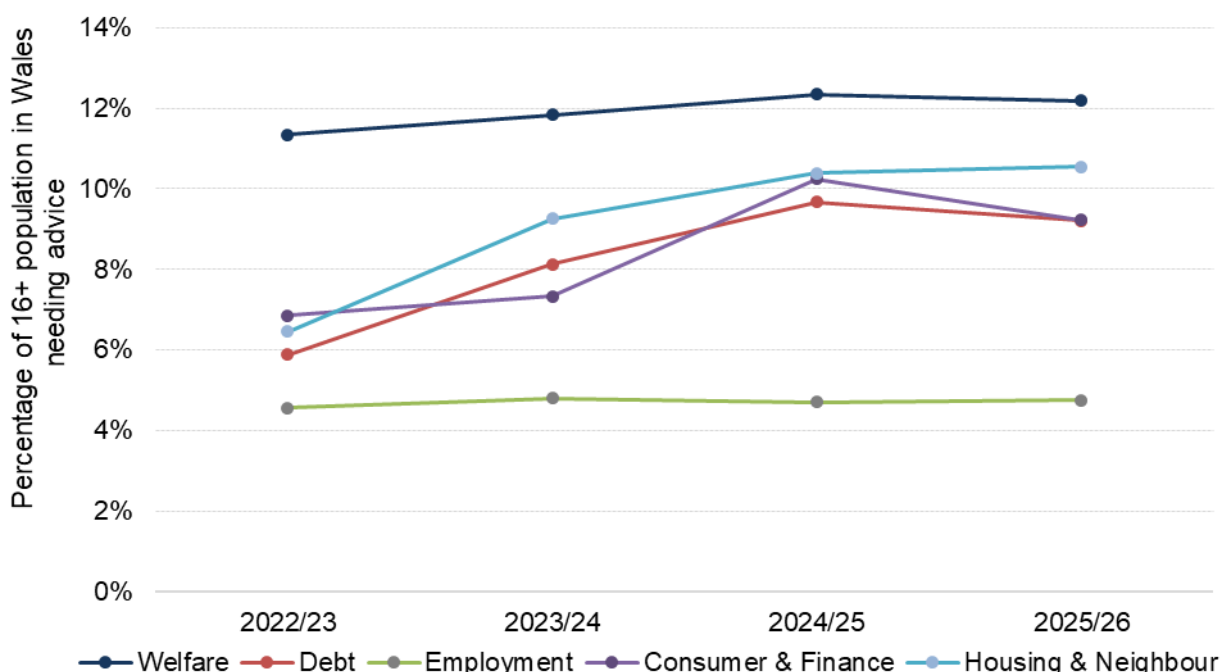
Monmouthshire	6,000	7%
Newport	7,000	5%
Powys	9,000	8%
Merthyr Tydfil	3,000	6%
<b>Wales</b>	<b>179,000</b>	<b>7%</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

### Evolution of need

5.27 In addition, we have forecast the levels of advice need through to financial year 2025/26. We estimate that based on current macroeconomic forecasts, per capita needs will remain fairly level in welfare and employment. High gas prices and weak forecast wage growth are associated with high levels of consumer and finance needs. As prices fall from their peak and forecast wage growth increases, consumer and finance advice needs will fall. Higher mortgage rates indicate that rates of debt and housing needs are likely to rise. Figure 5.1 sets this out in more detail.

**Figure 5.1: Evolution of need in Wales (2022/23-2025/26)**



Source: Alma Economics calculations

### Scenario analysis

5.28 Our estimates of need in future years are based on forecasts from the Office for Budget Responsibility, Office for National Statistics and Welsh Government. These forecasts represent their best current forecasts, but unexpected factors are highly

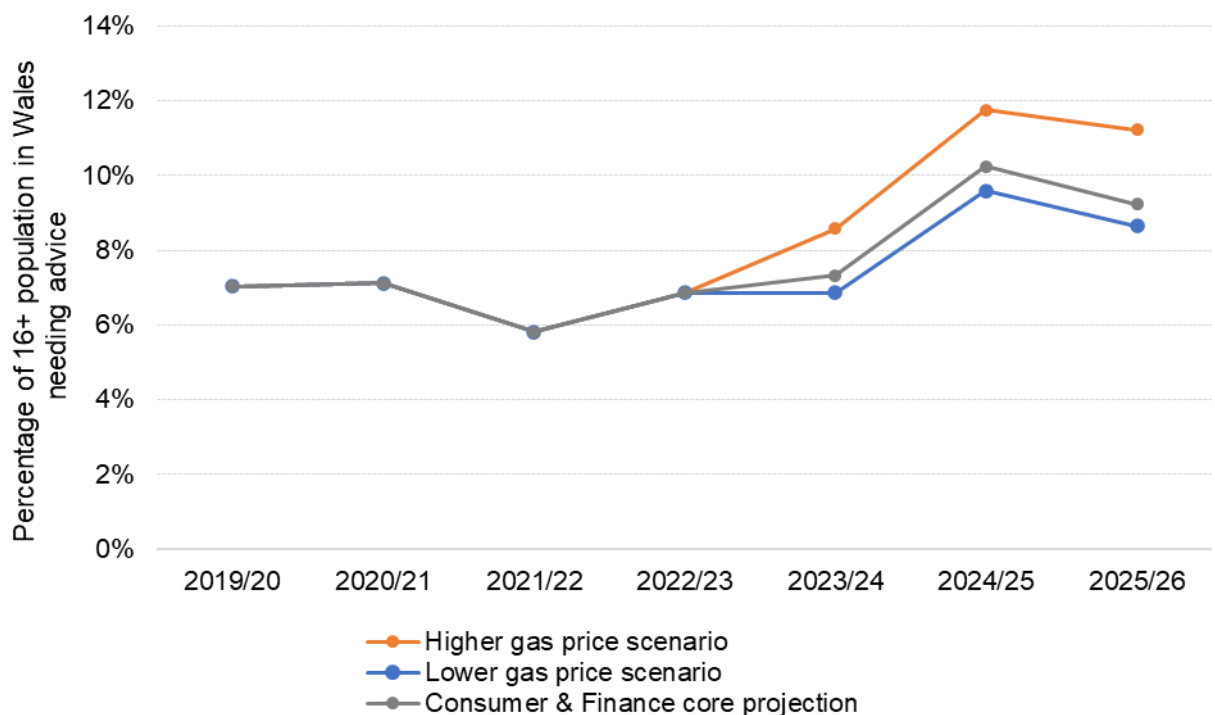
likely to mean that the reality is different. By modelling different scenarios, we can understand how changes in underlying forecasts would affect levels of advice need.

5.29 To understand how future economic shocks might affect the short-term need for advice we have carried out some indicative scenario analysis for the advice areas of housing and neighbour and consumer and finance. These areas were selected due to the uncertainty around the evolution of future mortgage rates and energy prices. For each of these advice areas, we have analysed the impact of a favourable and an unfavourable scenario compared with current forecasts. Below, we describe the different scenarios along with their implications for advice need.

*Impact of changing gas prices on Consumer & Finance advice needs*

5.30 For the consumer and finance advice scenario, two indicative scenarios were chosen which were within the bounds of previous changes in observed economic conditions. The favourable assumption was that gas prices would be 20% lower than forecast in every year from 2022/23 onwards. The unfavourable scenario was that gas prices would stay at 2022/23 levels through to 2024/25. Figure 5.2 sets out these scenarios compared to the core projection.

**Figure 5.2: Scenario analysis for Consumer & Finance advice need**



Source: Alma Economics calculations

- 5.31 According to our core projections based on current OBR forecasts, the level of consumer and finance advice need will increase in the next three years, peaking at 10.3% of the 16+ population in 2024/25. That corresponds to more than 270,000 citizens in need of advice. If the unfavourable scenario takes place (“Higher gas price scenario”), the level of need will increase significantly from 2023/24 onwards. It will be at 8.6% of the 16+ population in 2023/24 (instead of 7.3%), and it will peak at 11.7% in 2024/25 before falling to 11.2% in 2025/26. This corresponds to 225,000 individuals in need in 2023/24 and almost 309,000 in 2024/25.
- 5.32 On the contrary, if the favourable scenario takes place (“Lower gas price scenario”), there will be a small reduction in need compared to our central forecast. The population share in need will be 6.9% in 2023/24, and 9.6% in 2024/25 before falling to 8.6% in 2025/26. These shares represent 180,000 people in need in 2023/24 and 252,000 in 2024/25.

*Impact of changing mortgage rates on Housing & Neighbour advice needs*

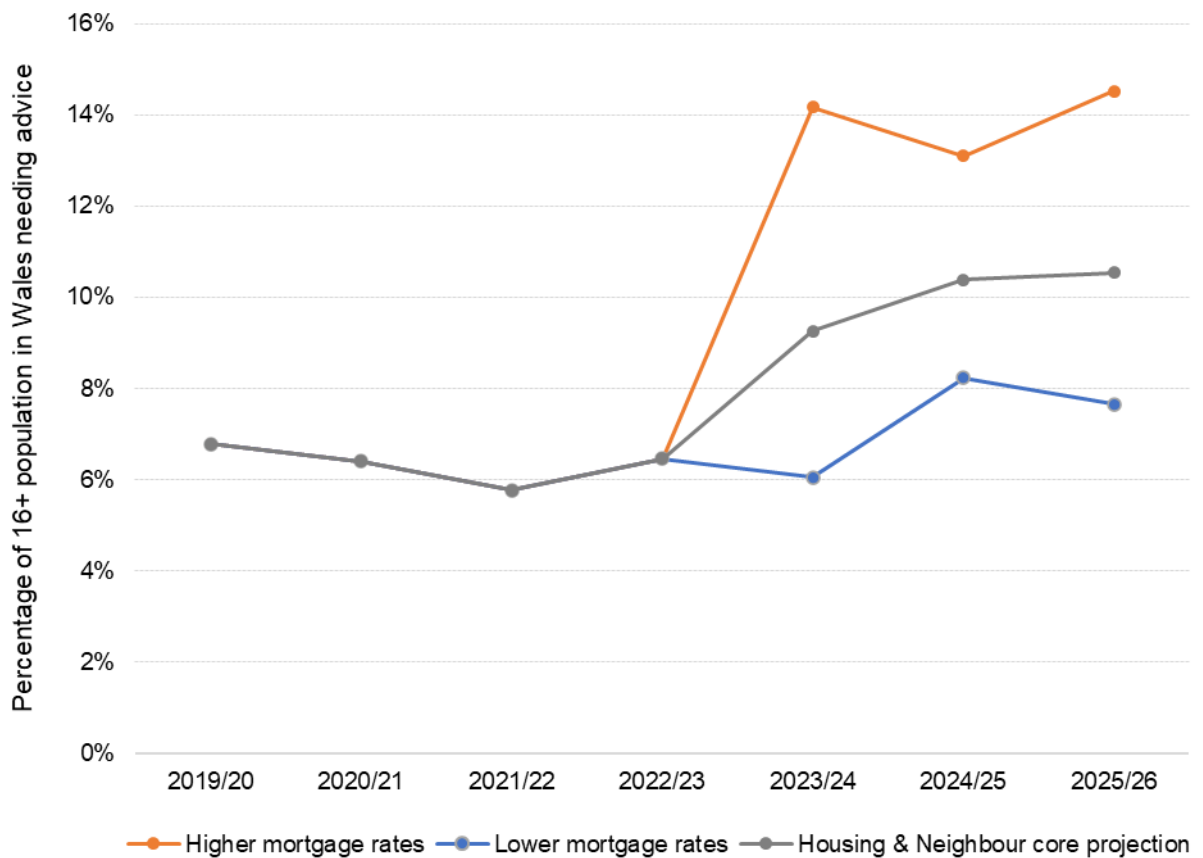
- 5.33 For housing and neighbour advice need, we selected two indicative scenarios. The favourable scenario was one where realised average mortgage rates were 1 percentage point lower than the OBR forecast for every year from 2022/2023 onwards, while the unfavourable scenario was the assumption that mortgage rates would be one percentage point higher than the forecast from 2022/2023 onwards. Figure 5.3 sets out these scenarios compared to the core projection.
- 5.34 In the core forecast (that is the projection of advice need without assuming a change in the level of mortgage rates), advice need will increase from 6.5% of the population in 2022/23 to 9.3% in 2023/24 (corresponding to around 243,000 individuals) to 10.4% in 2024/25 and 10.5% in 2025/26. If the favourable scenario takes place (“Lower mortgage rates”), the advice need level will still increase over the course of the next three years, but it will be lower than the forecast. The share of population in need of advice will be at least two percentage points lower in each year: 6% in 2023/24, 8.2% in 2024/25 and 7.7% in 2025/26.
- 5.35 In the unfavourable scenario (“Higher mortgage rates”), the level of housing and neighbour advice need will increase dramatically. The share of the 16+ population in



need of housing and neighbour advice would be 14.2% in 2023/24 (over 370,000 people), 13.1% in 2024/25 and 14.5% in 2025/26.

5.36 Our analysis focuses on the impact of mortgage rate changes on housing and neighbour advice needs. Our analysis also suggests that changes in mortgage rates would also be associated with changing debt advice needs. Therefore, the changes outlined in this scenario understate the overall impact on the level of advice needs.

**Figure 5.3: Scenario analysis for Housing & Neighbour advice need**



Source: Alma Economics calculations

**Rural-urban differences and advice needs**

5.37 Differences between rural and urban areas can impact the issues faced by local populations and the cost of delivering services in that area. The latter issue is outside the scope of this report. To explore whether rural and urban populations have different advice needs we compared the five most densely populated local

authorities with the five most sparsely populated<sup>37</sup>. Table 5.8 sets out the average share of the population with an advice need for each group of local authorities. There were no large differences overall. On average debt, welfare and consumer & finance needs were slightly higher in the low-density local authorities while employment needs were slightly higher in the high-density local authorities and housing & neighbour advice needs were equally prevalent in both.

**Table 5.8: Share of population with advice needs by population density**

	<b>Welfare</b>	<b>Debt</b>	<b>Employment</b>	<b>Consumer &amp; Finance</b>	<b>Housing &amp; Neighbour</b>
<b>High-density</b>	11%	6%	5%	6%	7%
<b>Low-density</b>	12%	7%	4%	8%	7%

### **Prevalence of discrimination issues**

5.38 Discrimination can be the cause of advice needs or can exacerbate existing needs. Based on Citizens Advice data from July 2022 to January 2023 for the whole of the UK, discrimination was most often recorded as a factor in employment advice (over 5% of cases). In our other four categories, the rate was less than 1%. If these figures are reproduced among all individuals with advice needs in Wales (an assumption that we cannot test with available data) then around 7000 individuals would have employment advice needs in 2022/2023 which relate to discrimination. In reality, discrimination may not always be recorded where it is an issue, and individuals experiencing discrimination may be less likely to seek advice than others with similar issues, so the true population figure may be higher.

<sup>37</sup> The highest population density local authorities were Cardiff, Newport, Torfaen, Caerphilly, and Swansea. The lowest were Powys, Ceredigion, Gwynedd, Pembrokeshire, and Carmarthenshire (Welsh Government 2023c).

## **6. Conclusions**

- 6.1 This research has estimated the level of need for social welfare advice in the population of Wales and in each Welsh local authority across five key categories: Welfare, Debt, Employment, Housing & Neighbour and Consumer & Finance. Results are based on analysis of survey and administrative data of the general population, rather than data about individuals who have sought advice as these figures will reflect available funding and whether individuals who need advice actively seek it.
- 6.2 Total levels of advice need are high – there were an estimated 916,000 advice issues in 2022/23, though the number of individuals will be lower as some will have multiple advice needs. This figure exceeds current levels of service provision, so it is likely there is significant unmet need in the population. Individuals who would benefit from receiving advice are therefore making decisions without information and support that could help them.
- 6.3 Welfare needs make up the largest single category of need. Employment advice was the smallest of the categories we considered – though issues relating to discrimination are likely to be most prevalent in this category. There are also likely to be significant overlaps with individuals having advice needs in multiple categories.
- 6.4 Our modelling of short-term shocks suggests that future economic shocks (for instance unexpectedly higher mortgage rates) could drive large changes in advice need. Where national shocks affect the whole of Wales equally, this will drive higher levels of need overall. However, it is likely that for most shocks, the impact will not be symmetrical, and some local authorities will experience a larger impact than others. For instance, faster growth or an unexpected slowdown in the tourism sector is likely to have more of an impact on employment in areas with a large tourism sector. This in turn could have a knock-on impact where individuals who become unemployed or have less stable employment seek employment-related advice from advice services.
- 6.5 Levels of need were not very different between local authorities with the highest population density and those with the lowest. However, this report does not make

any judgement on the cost of delivering advice services in different local authorities and this is likely to vary based on many factors, including rurality.

- 6.6 There is further research which falls outside the scope of this report but would add to the available evidence about the level of advice need in the population. Research with individuals with advice needs would allow a more detailed understanding of how needs develop and what determines their intensity. Furthermore, this research has not focused on links between advice needs and demographic characteristics. More work in this area could help understand who is likely to develop advice needs and assess whether there are groups of individuals who are less likely to be reached by existing service provision.

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## 8. Annex A: Data sources

### Understanding Society data

8.1 Understanding Society, also known as the UK Household Longitudinal Study, is an annual household panel survey which collects a wide range of data about participants from across the UK. The Study has run since 2009 and is based at the Institute for Social and Economic Research at the University of Essex. It builds on the earlier British Household Panel Survey which began in 1991. We have used Understanding Society as our main source of data for estimating levels of advice need within the population in Wales. We have used the following survey questions to contribute to our measurement of each advice category.

**Table 8.1: Understanding Society - Variables and survey questions**

Need category	Variable code	Survey question
Welfare benefits	benbase1 benbase2 benbase4 bendis1 bendis2 bendis3 bendis4 bendis5 bendis7 bendis12 benpen4 pbnft3 pbnft4 pbnft5 pbnft9 pbnft12 pbnft13 pbnft14 pbnft15	Are you currently receiving any of these payments?  Incapacity Benefit; Employment and Support Allowance; Severe Disablement Allowance; Carer's Allowance; Disability Living Allowance; Attendance Allowance; Personal Independence Payments; Pension credit Income Support; Job Seeker's Allowance; Universal Credit
Debt	Xphsdct	In the last twelve months, have you ever found yourself behind with paying your Council Tax?
	Xphsdba	Sometimes people are not able to pay every household bill when



Need category	Variable code	Survey question
		it falls due. May we ask, are you up to date with all your household bills such as electricity, gas, water rates, telephone and other bills or are you behind with any of them?
Employment	jbsec	I would like you to think about your employment prospects over the next 12 months. Thinking about losing your job by being sacked, laid-off, made redundant or not having your contract renewed, how likely do you think it is that you will lose your job during the next 12 months?
	jbsat	On a scale of 1 to 7 where 1 means 'Completely dissatisfied' and 7 means 'Completely satisfied', how dissatisfied or satisfied are you with your present job overall?
Housing & Neighbour	xphsdb	Many people find it hard to keep up with their housing payments. In the last twelve months, have you ever found yourself behind with your rent/mortgage?
	lkmove	If you could choose, would you stay here in your present home or would you prefer to move somewhere else?

Need category	Variable code	Survey question
	hsfit	External condition of the address relative to other residences – assessed by interviewer
Consumer & finance	xpgasy, xpelecy, xpduely	In the last year, since X, how much has your household spent on gas/electricity/both?
	fihhmnet1_dv	Monthly total household net income – derived from responses to other questions.
	hheat	For the next question please just answer yes or no. In winter, are you able to keep this accommodation warm enough?

**Notes:** In two cases (jbsec & jbsat) a question was only asked in every other wave of the survey. In these cases, we have interpolated the data to provide a complete time series.

8.2 The sample size for Wales varied by wave; on average, the survey provided data on 2,827 individuals per year. The sample size varies by LA as set out in Table 8.2.

**Table 8.2: Average sample size per wave**

Local Authority	Local Authority	Health Boards	Wales
Isle of Anglesey	127	659	2827
Gwynedd	120	659	2827
Conwy	96	659	2827
Denbighshire	60	659	2827
Flintshire	172	659	2827
Wrexham	84	659	2827
Ceredigion	33	362	2827
Pembrokeshire	117	362	2827
Carmarthenshire	211	362	2827
Swansea	282	393	2827
Neath Port Talbot	110	393	2827
Bridgend	154	366	2827
Vale of Glamorgan	99	332	2827
Cardiff	233	332	2827
Rhondda Cynon Taf	166	366	2827
Caerphilly	204	562	2827
Blaenau Gwent	73	562	2827
Torfaen	102	562	2827
Monmouthshire	80	562	2827
Newport	102	562	2827
Powys	155	155	2827
Merthyr Tydfil	46	366	2827

**Notes:** The data reflect the number of individuals within the Understanding Society sample.

## Additional data used

8.3 Table 8.3 sets out additional datasets that have been used in this report.

**Table 8.3: Additional datasets**

<b>Variable</b>	<b>Description</b>	<b>Data source</b>
GDP per capita	Historical GDP per capita at LA level	ONS (2023b)
Unemployment	Unemployment rate at LA level	ONS (2022a)
GDP growth forecasts	Forecasts used in statistical models to generate need forecasts	OBR (2023)
Unemployment rate forecasts	Forecasts used in statistical models to generate need forecasts	OBR (2023)
Wage forecasts	Forecasts used in statistical models to generate need forecasts	OBR (2023)
Gas prices	Forecasts used in statistical models to generate need forecasts	OBR (2023)
Population	Past, current, and projected future local authority populations (16+)	Welsh Government (2023d), Welsh Government (2023e)

<b>Variable</b>	<b>Description</b>	<b>Data source</b>
Homelessness	Section 73 data on households assessed as homeless in each local authority	Welsh Government (2023a)
Concealed households	The proportion of concealed households in the population	ONS (2023a)
Fraud data	The rate of reported fraud offences and computer misuse	ONS (2022b) <sup>38</sup>
Welfare data	High-level estimates of the proportion of individuals who are not claiming benefits they are eligible for	Entitledto (2023)

8.4 As part of the statistical models described in Annex C, we use local authority level data on unemployment and GDP per capita growth from the ONS. The ONS does not forecast future values of these two variables. To forecast future advice needs we have created forecast series for these two variables based on national level forecasts of unemployment and GDP growth from the OBR.

8.5 We have done this by applying the assumption that, if the national rate of unemployment is forecast to increase by 1%, then local authority level unemployment will also increase by 1% in all local authorities. The same approach is taken for GDP per capita. This assumption allows us to reflect the fact that some local authorities will have persistently higher or lower levels of unemployment or growth. However, this is an assumption that would be incorrect if some local authorities deviate from national trends in unemployment and growth. The impact of this could be explored further through scenario analysis where changes impact specific local authorities of the type described in section 6.

<sup>38</sup> There is data available from 2014 onwards. For years prior to 2014, an assumption has been made that levels of fraud were equal to 2014 levels.

## **9. Annex B: Constructing historical levels of advice need**

- 9.1 As a first step, Understanding Society data was downloaded and cleaned. This included local authority identifiers for each individual obtained through the UK Data Service in a Special Licence version of the data. Household level data was merged with individual level data using unique identifiers.
- 9.2 Then, in each category, we estimated the proportion of individuals responding to Understanding Society in each specific local authority who have an advice need. This was calculated as the proportion of individuals who had responded to the relevant questions listed in Table 8.1 who gave an answer which indicated that they had an advice need<sup>39</sup>. As described in paragraph 4.18, we then implemented a shrinkage approach to mitigate the potential estimation error due to small sample sizes.
- 9.3 Where the Understanding Society questions did not give sufficient insight into need, it was agreed with the research board to supplement the measures from the survey with data from other sources. Additional datasets used are listed in Table 8.3. To do this, we derived the proportion of individuals with an advice need in each local authority based on the additional dataset. This proportion was then added to the proportion derived from Understanding Society. The methodology section of this report explains in more detail our approach to adding additional datasets to minimise the risk of double counting.
- 9.4 We then calculated the estimated number of people in need in each local authority. We did this by multiplying the proportion of people in need in each category for each local authority by the over 16 population of each local authority.
- 9.5 For the category of welfare benefits we took one additional step to recognise the fact that not all claimants of benefits will have an advice need, and some individuals who do not currently claim benefits could still benefit from advice about their eligibility or access to benefits. Therefore, we adjusted our estimate of the proportion of individuals in need down to reflect this fact. We did this based on identifying three groups of individuals who would benefit from advice need i)

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<sup>39</sup> Individuals who did not respond, responded “don’t know” or refused to answer a question were excluded from the analysis of that question.

individuals who are making new claims, ii) individuals who are going through sanctions or reconsideration procedures and iii) individuals who may be eligible for benefits but are currently not claiming them. The final proportion and number of individuals in need is based only on the size of these three groups.

9.6 Table 9.1 sets out in detail how measures of advice need were constructed in each category.

**Table 9.1: Calculation of advice need measures**

<b>Need Category</b>	<b>Indicators</b>	<b>Advice need calculation based on</b>
Welfare benefits	Receiving: <ul style="list-style-type: none"> <li>- Incapacity Benefit</li> <li>- Employment and Support Allowance</li> <li>- Severe Disablement Allowance</li> <li>- Carer's Allowance</li> <li>- Disability Living Allowance</li> <li>- Attendance Allowance</li> <li>- Personal Independence Payments</li> <li>- Pension credit</li> <li>- Income Support</li> <li>- Job Seeker's Allowance</li> <li>- Universal credit</li> </ul>	1. Understanding Society respondents are counted if they are a claimant of any of these benefits. 2. Estimated proportion of individuals in three groups identified. <ul style="list-style-type: none"> <li>- Proportion of new cases from DWP data (equivalent to 30% of all claimants in 2021)</li> <li>- Proportion of sanctions or reconsiderations from DWP data – (equivalent to 4% of all claimants) in 2021</li> <li>- Estimated number of eligible households who do not claim (it is estimated that 25% of</li> </ul>

Need Category	Indicators	Advice need calculation based on
		<p>eligible households do not claim.<sup>4041</sup>)</p> <p>3. The figure from step 1 was multiplied by the total proportion calculated in step 2 to derive a final figure.</p>
Debt	<ul style="list-style-type: none"> <li>- Problems paying bills</li> <li>- Problems paying council tax</li> </ul>	<p>Understanding Society respondents are counted if they report that they are behind on (at least some) bills or have had problems paying council tax.</p>
Employment	<ul style="list-style-type: none"> <li>- Perceived job security in next 12 months</li> <li>- Satisfaction with present job</li> </ul>	<p>Understanding Society respondents are counted if they report that it is likely or very likely that they will be made redundant in next year or are completely or mostly dissatisfied with their current job.</p>
Housing & Neighbour	<ul style="list-style-type: none"> <li>- Problems paying for housing</li> <li>- External condition of home relative to other residences</li> <li>- Prefers to move house</li> </ul>	<p>1. Understanding Society respondents are counted if they have problems paying for housing or the external condition of their house is</p>

<sup>40</sup> Research by EntitledTo. EntitledTo estimate under-claiming for Universal Credit, Pension Credit, Housing Benefit, Child Benefit and Council Tax Support. These figures are based on DWP data and additional analysis for Universal Credit where take up data is not available.

<sup>41</sup> If 25% of eligible households do not claim, then the number of eligible non-claimant households is estimated to be equal to 33% of the number of claimant households.



Need Category	Indicators	Advice need calculation based on
Consumer & finance	<ul style="list-style-type: none"> <li>- Rate of Households eligible for homelessness assistance Section 73 (StatsWales)</li> <li>- Rate of concealed households (Census 2021)</li> </ul>	<p>poor and they would like to move.</p> <p>2. The proportion of households assessed as homeless under Section 73<sup>42</sup> in each local authority and the rate of “concealed households”<sup>43</sup> from the 2021 Census was added to the overall proportion to improve the coverage of the need measure (e.g., homeless individuals are unlikely to be covered the Understanding Society survey).</p>
	<ul style="list-style-type: none"> <li>- Proportion of income spent on fuel</li> <li>- Keep accommodation warm enough</li> <li>- Rate of fraud and computer misuse offences data (ONS data based on reporting by Action Fraud)</li> </ul>	<p>1. Understanding Society respondents are counted if their energy bills are greater than 20% of household income or they don't keep accommodation warm enough.</p> <p>2. We have then added the proportion of reported victims of fraud and computer misuse to increase the need measure coverage.</p>

<sup>42</sup> According to the definition of Section 73 of the Housing (Wales) Act 2014, available at: [Housing \(Wales\) Act 2014 \(The National Archives\)](#)

<sup>43</sup> "Concealed households" consist of people living in the houses of other family members or friends. These households were added to the calculations because they have been included as a form of "hidden homelessness" in work by Crisis.

## 10. Annex C: Statistical models

- 10.1 Final regression specifications are reported in Table 10.1 including measures of statistical significance and model fit.
- 10.2 For each specification, the chance that all coefficients are zero (with any relationships we observe the result of random variation in the data) is given by the p value of the F stats for each specification. These are reported as the Prob>F values in the table. For all our specifications, this probability is zero to four decimal places. In addition, all individual coefficients are statistically significant at the 5% level (as shown by a p value  $\leq 0.05$ ). This means that it is very unlikely that the relationships we observe between our independent variables (e.g., change in population) and dependent variables (e.g., welfare advice need) are caused by random variation in the data. This does not necessarily mean that we have identified causal relationships (X could be driving Y, Y could be driving X, or some unobserved variable Z could be driving both) but it does suggest that the correlations we have observed are not the result of chance but reflect underlying relationships which we can use to forecast future needs under the assumption that those relationships will persist.

**Table 10.1: Regression specifications**

<b>Dependent variable</b>	<b>Coefficient (standard error) [P value]</b>	<b>R squared (Prob&gt;F)</b>
<b>Dependent variable: Change in log welfare need:</b>		0.1770 (0.0000)
Lag of change in log welfare need	-0.34*** (0.059) [0.000]	
Lag of change in wage growth rate	-1.56*** (0.54) [0.004]	
Log change in population	3.24*** (1.0) [0.002]	
<b>Dependent variable: Change in log Debt need:</b>		0.2176 (0.0000)

<b>Dependent variable</b>	<b>Coefficient (standard error) [P value]</b>	<b>R squared (Prob&gt;F)</b>
Lag of change in log debt need	-0.41*** (0.059) [0.000]	
Lag of change in average mortgage rate	31*** (12) [0.010]	
Lag of change in wage growth rate	-3.66*** (1.0) [0.000]	
<b>Dependent variable: Change in log Employment need:</b>		0.1748 (0.0000)
Lag of change in log employment need	-0.14*** (0.053) [0.009]	
Change in unemployment rate	5.5*** (1.7) [0.002]	
Change in local real GDP per capita growth rate	-1.4*** (0.31) [0.000]	
<b>Dependent variable: Change in log Housing &amp; Neighbour need:</b>		0.2219 (0.0000)
Lag of change in log housing & neighbour need	-0.46*** (0.066) [0.000]	
Lag of change in average mortgage rate	43*** (11) [0.000]	
Change in unemployment rate	3.8*** (1.8) [0.033]	
<b>Dependent variable: Change in log Consumer &amp; Finance need:</b>		0.1684 (0.0000)
Change in local real GDP per capita growth rate	-0.62*** (0.30) [0.038]	

<b>Dependent variable</b>	<b>Coefficient (standard error) [P value]</b>	<b>R squared (Prob&gt;F)</b>
Lag of change in log gas prices	0.30*** (0.1) [0.005]	
Lag of change in wage growth rate	-10*** (1.1) [0.000]	

**Notes:** All results are reported to two significant figures.

\*\*\* indicates p value  $\leq 0.05$  – statistical significance at the 5% level

## 11. Annex D: Additional results

11.1 The following tables summarise the evolution of need in each LA forecasted between 2022/23 and 2025/26. These tables capture the number of people with an advice need in the relevant category.

**Table 11.1: Welfare advice need 2022/23 – 2025/26**

<b>Local Authority</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Isle of Anglesey	6,000	7,000	7,000	7,000
Gwynedd	13,000	13,000	14,000	14,000
Conwy	12,000	13,000	14,000	14,000
Denbighshire	8,000	8,000	8,000	8,000
Flintshire	13,000	14,000	14,000	14,000
Wrexham	9,000	9,000	9,000	9,000
Ceredigion	8,000	8,000	9,000	9,000
Pembrokeshire	13,000	14,000	14,000	14,000
Carmarthenshire	18,000	19,000	20,000	20,000
Swansea	25,000	27,000	28,000	28,000
Neath Port Talbot	17,000	18,000	18,000	18,000
Bridgend	17,000	17,000	18,000	18,000
Vale of Glamorgan	10,000	10,000	11,000	11,000
Cardiff	23,000	24,000	25,000	25,000
Rhondda Cynon Taf	31,000	33,000	34,000	34,000
Caerphilly	18,000	19,000	20,000	20,000
Blaenau Gwent	7,000	7,000	8,000	8,000
Torfaen	8,000	8,000	9,000	9,000
Monmouthshire	7,000	7,000	8,000	8,000
Newport	14,000	15,000	15,000	15,000
Powys	12,000	12,000	13,000	12,000
Merthyr Tydfil	7,000	7,000	8,000	8,000
<b>Wales</b>	<b>296,000</b>	<b>311,000</b>	<b>325,000</b>	<b>322,000</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

**Table 11.2: Debt advice need 2022/23 – 2025/26**

<b>Local Authority</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Isle of Anglesey	4,000	5,000	6,000	6,000
Gwynedd	5,000	8,000	9,000	9,000
Conwy	5,000	7,000	8,000	7,000
Denbighshire	3,000	4,000	5,000	5,000
Flintshire	6,000	8,000	9,000	9,000
Wrexham	6,000	9,000	10,000	10,000
Ceredigion	5,000	7,000	8,000	7,000
Pembrokeshire	9,000	12,000	15,000	14,000
Carmarthenshire	14,000	20,000	24,000	23,000
Swansea	13,000	18,000	21,000	20,000
Neath Port Talbot	8,000	11,000	13,000	13,000
Bridgend	7,000	10,000	11,000	11,000
Vale of Glamorgan	6,000	8,000	10,000	9,000
Cardiff	18,000	24,000	29,000	28,000
Rhondda Cynon Taf	9,000	13,000	15,000	14,000
Caerphilly	8,000	11,000	13,000	13,000
Blaenau Gwent	4,000	5,000	6,000	6,000
Torfaen	5,000	7,000	8,000	8,000
Monmouthshire	5,000	7,000	9,000	8,000
Newport	6,000	9,000	10,000	10,000
Powys	6,000	9,000	11,000	10,000
Merthyr Tydfil	2,000	3,000	4,000	4,000
<b>Wales</b>	<b>153,000</b>	<b>213,000</b>	<b>255,000</b>	<b>244,000</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

**Table 11.3: Employment advice need 2022/23 – 2025/26**

<b>Local Authority</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Isle of Anglesey	2,000	3,000	2,000	3,000
Gwynedd	3,000	3,000	3,000	3,000
Conwy	3,000	3,000	3,000	3,000
Denbighshire	4,000	5,000	5,000	5,000
Flintshire	5,000	6,000	6,000	6,000
Wrexham	4,000	4,000	4,000	4,000
Ceredigion	3,000	4,000	3,000	3,000
Pembrokeshire	3,000	3,000	3,000	3,000
Carmarthenshire	5,000	5,000	5,000	5,000
Swansea	10,000	10,000	10,000	10,000
Neath Port Talbot	5,000	5,000	5,000	5,000
Bridgend	7,000	7,000	7,000	7,000
Vale of Glamorgan	3,000	3,000	3,000	3,000
Cardiff	14,000	15,000	15,000	15,000
Rhondda Cynon Taf	12,000	13,000	13,000	13,000
Caerphilly	8,000	9,000	9,000	9,000
Blaenau Gwent	2,000	2,000	2,000	2,000
Torfaen	3,000	3,000	3,000	3,000
Monmouthshire	7,000	7,000	7,000	7,000
Newport	5,000	6,000	6,000	6,000
Powys	5,000	6,000	6,000	6,000
Merthyr Tydfil	3,000	4,000	3,000	4,000
<b>Wales</b>	<b>119,000</b>	<b>126,000</b>	<b>124,000</b>	<b>125,000</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

**Table 11.4: Housing & Neighbour need 2022/23 – 2025/26**

<b>Local Authority</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Isle of Anglesey	4,000	6,000	7,000	7,000
Gwynedd	6,000	9,000	10,000	10,000
Conwy	8,000	12,000	13,000	13,000
Denbighshire	5,000	7,000	8,000	8,000
Flintshire	7,000	10,000	12,000	12,000
Wrexham	6,000	10,000	10,000	11,000
Ceredigion	4,000	6,000	6,000	6,000
Pembrokeshire	6,000	9,000	10,000	10,000
Carmarthenshire	14,000	20,000	22,000	22,000
Swansea	10,000	15,000	16,000	17,000
Neath Port Talbot	6,000	8,000	9,000	10,000
Bridgend	8,000	11,000	13,000	13,000
Vale of Glamorgan	6,000	8,000	9,000	9,000
Cardiff	23,000	32,000	37,000	37,000
Rhondda Cynon Taf	9,000	12,000	14,000	14,000
Caerphilly	11,000	15,000	17,000	17,000
Blaenau Gwent	4,000	6,000	7,000	7,000
Torfaen	6,000	8,000	9,000	9,000
Monmouthshire	6,000	8,000	9,000	9,000
Newport	12,000	16,000	19,000	19,000
Powys	8,000	11,000	13,000	13,000
Merthyr Tydfil	3,000	4,000	4,000	4,000
<b>Wales</b>	<b>169,000</b>	<b>243,000</b>	<b>274,000</b>	<b>279,000</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.



**Table 11.5: Consumer & Finance need 2022/23 – 2025/26**

<b>Local Authority</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Isle of Anglesey	5,000	5,000	7,000	7,000
Gwynedd	7,000	7,000	10,000	9,000
Conwy	10,000	11,000	15,000	14,000
Denbighshire	4,000	4,000	6,000	6,000
Flintshire	7,000	8,000	11,000	10,000
Wrexham	8,000	8,000	12,000	11,000
Ceredigion	5,000	6,000	8,000	7,000
Pembrokeshire	8,000	8,000	12,000	11,000
Carmarthenshire	12,000	13,000	18,000	16,000
Swansea	16,000	17,000	24,000	22,000
Neath Port Talbot	13,000	14,000	20,000	18,000
Bridgend	7,000	7,000	10,000	9,000
Vale of Glamorgan	7,000	8,000	11,000	10,000
Cardiff	22,000	24,000	34,000	31,000
Rhondda Cynon Taf	9,000	9,000	13,000	12,000
Caerphilly	7,000	8,000	11,000	10,000
Blaenau Gwent	3,000	3,000	4,000	4,000
Torfaen	4,000	4,000	6,000	5,000
Monmouthshire	6,000	6,000	9,000	8,000
Newport	7,000	7,000	10,000	9,000
Powys	9,000	10,000	14,000	12,000
Merthyr Tydfil	3,000	3,000	5,000	4,000
<b>Wales</b>	<b>179,000</b>	<b>192,000</b>	<b>270,000</b>	<b>244,000</b>

**Notes:** Alma Economics calculations. All population figures rounded to nearest thousand.

**Table 11.6: Total number of advice issues 2022/23 – 2025/26**

<b>Local Authority</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Isle of Anglesey	21,000	25,000	30,000	29,000
Gwynedd	33,000	40,000	46,000	45,000
Conwy	39,000	45,000	53,000	51,000
Denbighshire	24,000	28,000	32,000	31,000
Flintshire	39,000	46,000	52,000	51,000
Wrexham	33,000	39,000	46,000	44,000
Ceredigion	25,000	30,000	34,000	33,000
Pembrokeshire	39,000	47,000	54,000	53,000
Carmarthenshire	63,000	76,000	89,000	86,000
Swansea	73,000	87,000	100,000	97,000
Neath Port Talbot	49,000	57,000	66,000	64,000
Bridgend	44,000	53,000	59,000	58,000
Vale of Glamorgan	32,000	38,000	44,000	43,000
Cardiff	100,000	120,000	140,000	136,000
Rhondda Cynon Taf	69,000	80,000	89,000	87,000
Caerphilly	53,000	62,000	70,000	69,000
Blaenau Gwent	20,000	24,000	27,000	27,000
Torfaen	25,000	30,000	34,000	33,000
Monmouthshire	31,000	36,000	42,000	41,000
Newport	44,000	52,000	60,000	59,000
Powys	40,000	48,000	55,000	54,000
Merthyr Tydfil	18,000	21,000	24,000	24,000
<b>Wales</b>	<b>916,000</b>	<b>1,084,000</b>	<b>1,247,000</b>	<b>1,214,000</b>

**Notes:** Alma Economics calculations. All figures rounded to nearest thousand. Individuals can have advice issues in multiple categories so the number of individuals with advice needs will be lower than the total number of advice issues recorded here.