

## **Ad hoc statistics on Households identified as potentially impacted by the benefit cap.**

April 2013

### **Background**

From 15 April 2013 the Government will commence introduction of a cap of £500 per week (£350 for single people) on the total amount of benefit that working-age people can receive so that, broadly, households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage for working households.

An Impact Assessment was published 16<sup>th</sup> July 2012 within which the estimated number of households that will be impacted by the cap in 2013/14 was 56,000. Since this publication the disregard for housing costs of Supported Exempt Accommodation was announced in the Autumn Statement. There have been a number of further policy changes, such as changes to benefit uprating and methodological improvements that have also reduced this estimate. In addition to this there have been underlying caseload changes, due to normal benefit caseload churn, reducing those potentially in scope for the cap.

A scan of household benefits in December 2012, a comparable time period to the data used for the July Impact Assessment, estimates the number of households that will be impacted is now around 40,000.

### **Notes**

- 1) This data is taken from benefit payment databases and is adjusted to incorporate policy changes that will affect the number of households potentially capped.
- 2) The data represents benefit payment as at December 2012, one year later than the data used for the July 2012 Impact assessment. It is an estimate of average numbers of households capped; the actual number capped at any one point, and total numbers capped during a year, will vary over time.
- 3) Once policy changes and methodological improvements have been accounted for this figure has been calculated in a consistent way as that in the impact assessment, both assume no behavioural change.
- 4) This estimate was the basis for the updated AME forecasts published by HMT alongside the budget 2013.

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