



Department
for Work &
Pensions

Benefit Cap – number of households capped, data to August 2013, GB

Publication date: 3rd October 2013

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Introduction

Background

The Government has introduced a cap on the total amount of benefit that working-age households 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. If affected, a household's Housing Benefit entitlement will be reduced so that the total amount of benefit received is no longer higher than the cap level.

The benefit cap applied from 15 April 2013 in Bromley, Croydon, Enfield and Haringey Local Authorities. Remaining Local Authorities applied the cap between 15 July 2013 and the end of September. As such all households identified as being appropriate to be capped were sent to Local Authorities capped by the end of September 2013. The benefit cap is currently administered through Housing Benefit, and as such a household which is not in receipt of Housing Benefit will not currently be in scope for the cap.

The cap applies to the combined income from benefits including:

- the main out-of-work benefits (Jobseeker's Allowance, Income Support, and Employment and Support Allowance except when the Support Component is in payment);
- Housing Benefit;
- Child Benefit
- Child Tax Credit; and
- other benefits such as Carer's Allowance.

One-off payments are not included in the assessment of benefit income.

Households which include someone who is entitled to Working Tax Credit are excluded from the cap. This should increase the incentive for people to find employment because once they are in receipt of Working Tax Credit their benefits will no longer be subject to the cap. There is also a grace period of 39 weeks during which time the cap will not apply to households where the claimant, or if applicable their partner, has worked for 50 weeks out of the 52 weeks preceding their last day of work.

All households with someone, including a child, with a current award of Disability Living Allowance, Personal Independence Payment or Attendance Allowance, or receiving the support component of Employment and Support Allowance or Industrial Injuries Benefits (and those receiving War Disablement Pension and the equivalent payments from the Armed Forces Compensation Payments Scheme) are exempt from the benefit cap. This is in recognition of the extra costs disability can bring.

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The exemption is also extended to households which include a member who is in receipt of War Widow's and War Widower's Pension. This is in line with the Government's commitment to offer special treatment to those who are serving or who have served in the Armed Forces, and to their dependants, in order to avoid disadvantage and recognise sacrifice for those seriously injured or killed.

The cap only applies to people of working age so income from State Pension Credit will not count towards the cap.

Methodology

Data Source

Data from the Single Housing Benefit Extract (SHBE) has been used to produce this analysis. SHBE is a monthly electronic scan of claimant level data direct from Local Authority computer systems. It has been designed to provide sufficient information for all current and future statistical purposes and is now the single source of Housing Benefit data. From April, a Benefit Cap marker was added to SHBE which indicated that the Housing Benefit of a household had been capped. This marker is central to the production of this analysis.

Data coverage and reporting month

Local Authorities extract and return their data to DWP over a four week rolling period based on an extraction schedule for each Local Authority.

This release shows the first set of capped households reflecting national implementation of the benefit cap. The "August" data shown here has typically been collated between 29th July and 22nd August. Each Local Authority may extract their data up to a week before the date it is scheduled to be returned to DWP. Local Authorities scheduled to return their data later in the collation cycle will have longer to apply the benefit cap to claimants than Local Authorities who return their data earlier in the collation cycle. Thus there is a data lag in reported capped households for some Local Authorities

The specific collation reference periods for earlier months are shown in Annex A.

This release also encompasses data for the 4 phased area Local Authorities which went live from April 2013. Consequently reporting of phased area data is now incorporated into the national level statistics. Thus, caseload data from July onwards includes both phased area and any national level capped households recorded at that time. For transparency, the reporting dates have now been aligned.

National implementation of the cap was split between two groups of Local Authorities. Tranche 1 went live from 15th July and tranche 2 from 12th August. Data for August will predominantly cover Local Authorities who have returned capped data across tranche 1 Local Authorities.

Definition of a household

For the purposes of the benefit cap policy and hence this analysis, **a household is defined as one or two adults (living together as a couple) plus any dependent children they are living with.** This may also be termed a ‘benefit unit’. This differs from the Office of National Statistics (ONS) who define a household as one person alone; or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.

There are a small number of cases where an individual / household have more than one Housing Benefit claim, for these cases, only the most recent claim is reported on.

Identification of capped households

Over time, households will be both newly capped – and will cease to be capped (for a variety of reasons). The data in the Results section shows both **snapshot** (the number of households subject to the cap at the latest month available) and **cumulative** (the number of capped households since the introduction of the benefit cap). The difference between these two figures relates to households flowing off the cap. This relates purely to households no longer subject to the benefit cap.

Results

Key findings – GB

Since the introduction of the benefit cap on 15th April 2013 to August 2013:

- Almost 8.4 thousand households had their housing benefit capped.

Of data extracted at August¹ 2013:

- Just over 7.8 thousand households had their housing benefit capped.
- 59% of households had between 1 and 4 children,
- 60% of households constituted a single parent with child dependents.
- 77% of households were capped by £100 or less.

¹ See methodology – Data coverage and reporting month.

Section 1- Cumulative total number of households capped, GB

The cumulative count (the number of capped households since the introduction of the benefit cap – Table 1.1) is based on the lead claimant. The addition or loss of a partner within a household (or a household moving to a different LA and still subject to the cap) would not be counted as an additional benefit cap case where the lead claimant remains the same.

Table 1.1- GB, Cumulative total of households with housing benefit capped since the introduction of the benefit cap on 15 April 2013 and August 2013

	Total
Cumulative total	8,371

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE)

Notes

1. Cells in this table have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

Section 2- Households capped at a point in time, GB

The caseload time series (Table 2.1) reflects the number of households subject to the benefit cap at that particular point in time

Table 2.1 – GB, Caseload time series- households capped May 2013 to August 2013

Month	Total
May 2013	396
June 2013	2,432
July 2013	2,755 ²
August 2013 ³	7,843

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE)

Notes

Cells in this table have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

² From 15 July the Benefit cap was introduced nationally. The July 2013 SHBE is the first data to include national claimants.

³ See methodology – Data coverage and reporting month.

Table 2.2- GB, Number of households capped as at August⁴ 2013

		Total, GB
Number of capped households		7,843
Amount Capped (£ per week)	Up to £50	3,684
	£50.01 to £100	2,386
	£100.01 to £150	1,089
	£150.01 to £200	395
	£200.01 to £250	168
	£250.01 to £300	68
	£300.01 to £350	33
	£350.01 to £400	17
	£400.01 and above	0
	Number of children	0
1		129
2		593
3		1,733
4		2,201
5 and above		3,055
Household type	Single, no child dependent	127
	Single, with child dependent(s)	4,710
	Couple, no child dependent	7
	Couple, with child dependent(s)	2,992

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE)

Notes

0 denotes a nil or negligible number of households.

1. Cells in this table have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

⁴See methodology – Data coverage and reporting month.

Annex A: Data collation periods for Benefit cap returns from Local Authorities

Reporting month	Earliest Local Authority scheduled return	Latest Local Authority scheduled return
May 2013	7 th May 2013	30 th May 2013
June 2013	3 rd June 2013	27 th June 2013
July 2013	1 st July 2013	25 th July 2013
August 2013	29 th July 2013	22 nd August 2013

Notes:

1. Local Authorities may extract their Housing Benefit data up to a week ahead of the scheduled return dates. In some circumstances, Local Authorities may return data outside of the scheduled return dates.

Contact points for further information

Press enquiries should be directed to the Department for Work and Pensions press office:

Media Enquiries: 0203 267 5129

Out of hours: 0203 267 5144

Website: <https://www.gov.uk/>

Follow us on Twitter: www.twitter.com/dwppressoffice

Other enquiries about these statistics should be directed to:

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DWP Information, Governance & Security Directorate - Client Statistics Division

<https://www.gov.uk/government/organisations/department-for-work-pensions/series/benefit-cap-statistics>

Other National Statistics publications, and general information about the official statistics system of the UK, are available from www.statistics.gov.uk