

Title: Welfare Reform and Work Act: Impact Assessment for the benefit cap Lead department or agency: Department for Work and Pensions Other departments or agencies: Local Authorities	Impact Assessment (IA)		
	Date: August 2016		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
Contact for enquiries: workingage.benefitsstrategy@dwp.gsi.gov.uk			

Summary: Intervention and Options	RPC Opinion: Not Applicable
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
N/A	N/A	N/A	No NA

What is the problem under consideration? Why is government intervention necessary?

The current benefit cap has been shown to be successful with more households looking for and finding work. The long term positive, intergenerational, effects from people moving into work are well-known and therefore, to encourage more households to move into work, a new lower, tiered cap has been designed to strengthen the work incentives for those on benefits. It also helps in tackling the deficit and consequent reductions in public expenditure that the Government is making to return to sustainable public finances. Evaluation evidence shows that the existing benefit cap, at £26,000, is improving work incentives, promoting fairness between those on out of work benefits and taxpayers and delivering savings. Reducing the benefit cap to £20,000 in Great Britain and £23,000 in Greater London builds on this, delivering further positive change.

What are the policy objectives and the intended effects?

The objective of the policy change is to build on the successes of the existing benefit cap, as shown by evaluation evidence. We will do this by restricting the total amount of benefits that a household can receive to £20,000 in Great Britain and £23,000 in Greater London (and 67% of these levels for single people without children). By doing this the policy will:

1. Further improve work incentives for those on benefits
2. Promote even greater fairness between those on out of work benefits and tax payers in employment (who largely support the current benefit cap), whilst providing support to the most vulnerable
3. Further reduce benefit expenditure and continue to help tackle the financial deficit.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

We considered 3 options: (1) Applying the cap to all working age benefit recipients (2) Leaving the cap at £26,000 as the policy is in place and clearly working as intended (3) Lowering the cap to £20,000 in Great Britain and £23,000 in Greater London to build on the current success of the cap in improving incentives to work, delivering fairness and benefit savings. Removing exemptions reduces fairness and work incentives, despite increasing savings and so was rejected. The current cap meets policy intentions; however, there is opportunity to further build on its success with a lower cap. We believe the lower levels further enhance work incentives, whilst striking a balance between claimants and taxpayers interests for fairness and spending and ensuring a safety net for the most vulnerable; it is, therefore, the chosen option.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 05/2020					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A		Non-traded: N/A

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:  Date: 25/08/2016

Summary: Analysis & Evidence

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 15/16	PV Base Year 15/16	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised costs by 'main affected groups'

The estimates shown do not take account of the expected behavioural changes from reform as these are difficult to estimate. All figures shown relate to Great Britain. In a static environment an estimated total 88,000 households could be affected by benefit cap in the implementation year of 2016/17, 64,000 of them additional over the current policy. However, all households taking action to move into work will be unaffected by the changes. Those not responding will have their benefits reduced by an average of around £60 per week (median £49) in 2016/17 leading to an additional transfer from these households of £65m in 2016/17 and £155m in 2017/18 (cash terms).

For many people who will be affected by the cap these reductions are notional changes in entitlement rather than actual cash losses i.e. those who become capped once the policy is in place haven't seen any reductions in their benefit, just a lower maximum limit on the benefit they would, otherwise, have been entitled to. Households who do not make an adjustment before the lower cap is introduced would face a cash reduction in their benefit receipt.

Other key non-monetised costs by 'main affected groups'

Households who may be affected by the cap will face the same choices as working families over where to live and managing their household expenditure. It is not possible to robustly quantify these costs because they are based on behavioural changes which are difficult to assess.

These costs do not include the operational cost of implementing the benefit cap or support provided to capped claimants. The Department is currently refining the estimate of these costs. To help ensure Local Authorities are able to protect the most vulnerable a total of £870m in Discretionary Housing Payments over 5 years (from 2016/17) will be available.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		£110m	

Description and scale of key monetised benefits by 'main affected groups'

The final benefit cap policy is expected to deliver additional fiscal savings of £65m in 2016/17 and £155m in 2017/18 (cash terms) or £65m in 2016/17 and £150m in 2017/18 (2015/16 prices), these being the benefits transferred to the taxpayer as a result of the policy change. Further additional savings from the policy change, assuming the cap remained at the same level would be £110m in 2018/19, £100m in 2019/20 and £110m in 2020/21 (cash terms) or £105m in 2018/19, £90m in 2019/20 and £100m in 2020/21 (2015/16 prices).

Other key non-monetised benefits by 'main affected groups'

This measure sits alongside the other measures announced in the Welfare Reform and Work Act to continue to improve work incentives and make the welfare system fair and affordable for all. Workless households will see limits in benefit receipt and this improves work incentives, particularly since those entitled to Working Tax Credits or who meet/exceed the benefit cap earnings exemption threshold in Universal Credit will be exempt from the cap. There are long term, positive, intergenerational, effects from work and improving work incentives helps deliver these.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
Impacts have been estimated using administrative records held by the DWP on benefit recipients (see Annex 1 for further detail). The source data relates to November 2015, but has been up-rated to the relevant year's prices and benefit rates, therefore assumptions about future inflation rates have been made. The modelling was carried out incorporating all other welfare reforms included in the Welfare Reform and Work Act. All of the £m figures above have been rounded to the nearest £5m. All estimates are shown for at a Great Britain level. No behavioural change has been assumed in the impacts, although such change is likely; evaluation has shown more people looking for and finding work from the current cap level.		

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	NA

Introduction

The Welfare Reform and Work Act incorporates a number of policy changes designed to improve work incentives and enhance fairness, whilst ensuring support for the most vulnerable.

Measures include the Government's intention that key elements of benefits and tax credits be frozen at their 2015/16 levels in 2016/17, 2017/18, 2018/19 and 2019/20 and, also, that from 2016/17 total household benefit payments for working-age claimants will be capped so that workless households will no longer be entitled to receive more than £20,000¹ in benefit (£13,400 for single adults with no children) and £23,000 (£15,410 for single adults with no children) in Greater London.

Separate Impact Assessments have been produced to assess the impacts of the policies within the Act. This Impact Assessment examines the move from a £26,000 benefit cap to a benefit cap of £20,000 in Great Britain and £23,000 in Greater London.

The current policy

From April 2013 the Government introduced a cap on the total amount of benefit that working-age people can receive. The cap was set at £26,000 per year or £500 per week for a couple (with or without children) and single parent households; and equivalised at 67%, or £350 per week (after rounding), for single adult households without children.

Benefits taken into account

Benefits and tax credits (with the exception of working tax credit) that provide an out-of-work income for adults or support for children and housing are taken into account for purposes of applying the cap.

The cap applies to the combined income from:

- Bereavement Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance except where the support component has been awarded
- Guardian's Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance

¹ An equivalisation, in line with OECD modified scale, has been made so the single-adult rate is equal to 67% of the cap level for families. Equivalisation means a single person can typically attain the same standard of living as a childless couple on only 67% of its income

- Severe Disablement Allowance
- Universal Credit
- Widowed Parent's Allowance
- Widow's Benefit

Currently, where the total amount of welfare benefits exceeds the cap, the LA will reduce a claimant's entitlement to HB by the amount of the excess, but increasingly the benefit cap will be administered through UC. The Impact Assessment focuses on the effects of households claiming Housing Benefit.

Benefits not taken into account

Legislation specifically excludes State Pension and Pension Credit, reflecting that the policy is primarily a work incentive aimed at people of working age. Also excluded are one-off payments, non-cash benefits and those not paid by government, such as Statutory Sick Pay (which, in any event, would be paid while someone was in employment and so exempt from the cap).

Exemptions

Exemptions for households entitled to Working Tax Credit, and those who meet/exceed the benefit cap earnings threshold in Universal Credit, reflects the main aim of the policy, which is to increase the incentive to work. This includes households who are working sufficient hours to qualify for WTC but whose earnings are so great that they have been awarded a "nil entitlement."

Exemptions for households with a claimant in receipt of Disability Living Allowance, Personal Independence Payment, Attendance Allowance and Industrial Injuries Benefits (and equivalent payments made as part of a war disablement pension or the Armed Forces Compensation Scheme) recognise the additional financial costs that can arise from disability and that disabled people will have less scope to alter their spending patterns or reduce their housing costs, or adjust their circumstances to improve their employment prospects (Attendance Allowance and Personal Independence Allowance are replacing Disability Living Allowance.)

Households including a claimant in receipt of the Employment and Support Allowance support component or the Universal Credit Limited Capability for Work Related Activity element are also exempt.

Households including War Widows and Widowers receiving a pension paid under the relevant parts of the War Pension Scheme, Armed Forces Compensation Scheme or analogous schemes are exempt. This reflects our commitments to support the aim of the Armed Forces Covenant and recognises the sacrifice of those seriously injured or killed in the service of their country.

A Grace Period provides a fixed period of protection for those with a consistent work history whose employment has ended or those who have been forced to leave work due to a change in their circumstances during which they can adapt to their position and look for alternative employment. The grace period will be for a set 39 weeks (or 9 months in Universal Credit), and if applicable it will remain in place irrespective of any reportable change of circumstances made by the claimant during the 39 weeks.

Disregards

In addition some payments are disregarded for purposes of the benefit cap. Housing costs paid in respect of 'supported exempt accommodation' and "specified accommodation" (e.g. some refuges, hostels) are not included in the benefit cap calculation.

What policy changes are we making and why?

The cap was originally established to enhance work incentives as part of the Welfare Reform Act which received Royal Assent in March 2012. The level of the cap was set at £26,000 per year for couples, with or without children, and lone parents, and £18,200 per year for households of a single adult with no children.

A lower cap level

Our welfare reforms are focussed on transforming lives by supporting people to find and keep work. The changes we are making to the benefit cap will support our ambition of moving to full employment. From 2016/17 total household benefit payments for working-age claimants will be capped so that workless households will no longer be entitled to receive more than £20,000 in benefit (£13,400 for single adults with no children) and £23,000 (£15,410 for single adults with no children) in Greater London, which is defined as the 32 London boroughs and the City of London.

Why is the benefit cap being lowered and tiered?

- The new lower, tiered cap strengthens work incentives, achieves fairness for taxpayers and ensures there is a reasonable safety net of support for the most vulnerable.
- An evaluation² of the current £26,000 benefit cap showed capped households were 41% more likely to enter work than comparable households not affected by the benefit cap, and the greater the amount by which benefit receipt was reduced by the cap, the greater the proportion moving into employment.
- A lower cap recognises that many hard working families earn less than median earnings – a lower cap provides a strong work incentive.
- The tiered approach recognises that almost half of all households currently capped are living in London, in contrast only 3% of capped households live in the North East. The tiered cap would see a more equitable distribution of capped cases, with around 22% in London.
- A higher cap tier of £23,000 in London takes account of the higher household costs in London including housing. For example, average private rents are around three times more expensive in London than in the North East. Average Housing Benefit payments in London are around £3,000 per year higher than those outside London. A tiered cap will mean that the distribution of capped households will be more broadly in line with the geographical distribution of Housing Benefit claimants. This will ensure that the work incentive effects are better felt across all of the country.
- The level of the tiered caps is fair and reflects the broader economic situation – for instance, alongside the differences in housing costs, around 4 out of 10 households earn less than £23,000 in London, whilst around 4 out of 10 households in GB (excluding London) earn less than £20,000³.
- People who do the right thing and move into work are not affected by the cap – creating a clear incentive to move into employment. People who are entitled to Working Tax Credit, or who meet/exceed the earnings threshold in Universal Credit are exempt from the benefit cap.

The cap will continue to be administered by either:

- local authorities through housing benefit payments: when a household's total benefit entitlement exceeds the cap the local authority will reduce the level of housing benefit by the excess amount; or
- decision makers when the cap is also applied through Universal Credit: when a household's total benefit entitlement exceeds the cap the UC award will be reduced by the excess amount. Analysis within this Impact Assessment has focused on households under the Housing Benefit system.

² Available at <https://www.gov.uk/government/publications/benefit-cap-evaluation>

³ Family Resource Survey 2013/14 and updated in line with average earnings growth.

Who is exempt from the changes?

The lower cap substantially retains the same policy design around exemptions, benefits taken into account and disregarded as the cap at £26,000, but in addition, two further exemptions for the new, lower, tiered benefit cap have been introduced:

- **Exempting households in receipt of Guardian's Allowance.** This Government values and recognises the service that guardians provide through offering a stable home for children who have lost their parents. An exemption from the benefit cap emphasises that the Government both recognises the difficult circumstances these families face and strongly values the role of guardians in helping vulnerable and bereaved children stay with their families.
- **Exempting households in receipt, or who have underlying entitlement to, Carer's Allowance (CA).** Any households including a claimant entitled to CA will no longer be capped under the policy change; this exemption will also be applied to the equivalent group in Universal Credit. This change fits in with the wider Government strategy to do more to support and invest in carers. Set alongside the investment provided through the Care Act and the help available to find work, the exemption will continue the Government's strategy to enable carers to stay or move into in paid employment where appropriate for them, whilst also fulfilling their valuable caring responsibilities.

Options for policy change that have been considered

We considered 3 potential options for the benefit cap:

(1) Applying the cap to all working age benefit recipients would clearly fail to meet all the policy intentions. It would significantly reduce the extent to which the policy improves incentives to work, since the cap would then apply to working households and the inclusion of disability related benefits would not protect the most vulnerable who are not able to make the choice to return to work. Whilst it would increase savings to the taxpayer to help tackle the financial deficit this wasn't felt an appropriate trade off. Therefore, this option was rejected.

(2) Leaving the cap at £26,000 would retain its current work incentives and its benefit savings. Evaluation evidence shows that the existing benefit cap, at £26,000, is delivering savings, improving work incentives and promoting fairness between those on out of work benefits and tax payers, it is right we build on this and go further in extending these positive outcomes. Additionally, this level may not be encouraging work across all regions as the level remains significantly higher than average earnings in many regions.

(3) Reducing the benefit cap to £20,000 and £23,000 in London (chosen option) will build on this existing policy success and help, alongside other necessary reforms, in strengthening work incentives, whilst also helping achieve fiscal stability alongside increasing fairness between claimants and taxpayers (around 4 in 10 working households will still have earnings below this lower level) and ensures there is a reasonable safety net of support for the most vulnerable

Estimating costs and benefits of the policy change

The impacts presented in this assessment are based on static assumptions, transposing the policy change on to a population that we model based on the current and proposed benefit system and claimants. These changes therefore do not show the full dynamic picture as people are now aware of the policy changes that will affect their future benefit entitlement once the policy is implemented. This change has an immediate impact on the financial incentives to move into work. Movement into work will result in them increasing their income rather than face a reduction, or a lower entitlement, in the future. Therefore, households will have to face similar choices faced by working families.

Behavioural change

Estimates of caseload and amounts do not include behavioural responses, which would lower the number of households capped. We have, however, seen clear evidence of positive behavioural

responses to the cap at £26,000 (for example, from movements into work); this has been observed from post implementation evaluation. The evaluation of the current £26,000 benefit cap found:

- Those who would be impacted by the cap are 41% more likely to go into work than a similar group who fall just below the cap's level. But this trend didn't exist before the cap was in place – indeed those with higher weekly benefit used to be less likely to move into work.
- 38% of those capped said they were doing more to find work, a third were submitting more applications and 1 in 5 went to more interviews.
- Where households said they intended to seek work because of the cap in February 2014 (45%), by August, the vast majority of them (85%) had done so – 2 in 5 (40%) of those who said they had looked for work because of the cap in February actually entered employment by August.

The new cap level of £20,000, and £23,000 in Greater London, strengthens the work incentive for a larger number of households to encourage households to move into work and to increase their hours of work. People who are entitled to Working Tax Credit, or who meet/exceed the earnings threshold in Universal Credit are exempt from the benefit cap.

Children can have their life chances and opportunities damaged as a result of living in households where no-one has worked for years and where no-one considers work is an option. For example:

- Children in households where neither parent is in work are much more likely to have challenging behaviour at age 5 than children in households where both parents are in paid employment⁴.
- Growing up in a workless household is associated with poorer academic attainment and a higher risk of being not in education, employment and training (NEET) in late adolescence⁵.

The evaluation of the current benefit cap also found that most capped households spoke very positively about the overall benefits of being in work on their health and family life. Most were keen to work for multiple reasons including: health, happiness, self-esteem and overall quality of life benefits. In a few cases, the new employment had brought sufficient financial rewards that people now felt better off such as being able to afford treats for their children.

Encouraging more households to move into work would also help increase the household's income and improve their well-being: research⁶ shows for people without work, re-employment leads to improvement in health and well-being whereas further unemployment leads to deterioration. We therefore expect the reduction of the benefit cap to have a positive impact on households moving into work.

We do not have sufficient information to reliably be able to predict, in advance of implementation, the potential magnitude of such responses for a lower cap, but there will be 2 groups affected by a lower cap:

- Those already capped at £26,000 will have the new, lower, cap applied to them. Evidence from evaluation suggests households that are capped by larger amounts are more likely to move into employment than those capped by smaller amounts. Therefore, all else being equal, a lower cap will increase work incentives for this group.
- A group of people not capped at £26,000. Some of these people will be capped by small amounts and evaluation evidence suggests adjustments, at least initially, are likely to come through changes in spending patterns. In the slightly longer term, this group may respond by seeking employment or moving house etc. We may, therefore, see similar responses to those capped at

⁴ Economic and Social Research Council (2012) Parenting Style Influences Social Mobility. Economic and Social Research Council Briefing Paper.

⁵ Barnes, M. et al. (2012) Intergenerational Transmission of Worklessness: Evidence from the Millennium Cohort Study and Longitudinal Study of Young People in England. Department for Education research report 234

⁶ For example, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212266/hwwb-mental-health-and-work.pdf

£26,000, but given there are some small differences between the groups (if these weren't present they'd have already been capped) they may respond differently.

If those capped responded similarly to those assessed as part of the previous benefit cap evaluation we could expect to see those impacted by the cap being 41% more likely to go into work than a similar group who fall just below the cap's level.

Details of methodology

Estimates of caseload and amounts do not include behavioural responses, which would reduce the number of households capped. Modelling for this assessment was conducted using administrative records held by the Department for Work and Pensions that dated from November 2015. This data contains amounts of benefit paid (including Child Benefit, as paid by HM Revenue and Customs), family structure, and indicators of receipt of Working Tax Credit and exemption benefits such as DLA. This enables the separation of households into those excluded from the cap, and those which will be subject to it. Further information on the data can be found in Annex 1.

The administrative records relate to November 2015, but have been adjusted to reflect the future benefit regime. The modelling takes account of all the other welfare reforms included in the Welfare Reform and Work Act from 2016/17. In the previous Impact Assessment of the benefit cap in July 2015, only the 4-year working-age benefit freeze was modelled but after the passage of the Welfare Reform and Work Act, giving confirmation of the details of the policies, we can reflect with greater certainty other welfare measures in the savings forecast for the benefit cap.

These costs do not include the operational cost of implementing the benefit cap or support provided to capped claimants. The Department is currently refining the estimate of these costs. To help ensure Local Authorities are able to protect the most vulnerable a total of £870m in Discretionary Housing Payments over 5 years (from 2016/17) will be available.

Savings

In the absence of behavioural responses to the policy changes an estimated average⁷ total of 88,000 households will be affected by a £20,000 benefit cap and £23,000 benefit cap in Greater London in 2016/17. It is estimated that 64,000 of these households will be additional (over and above those affected by the current cap, without a policy change i.e. with the cap at £26,000).

Households making a behavioural response to the cap will avoid some or all of the reduction in their benefit receipt from the benefit cap. For households not making a behavioural response to the change their benefit entitlement will be reduced by an average of around £60 per week (median £49). For many people who will be affected by the cap these reductions are notional changes in entitlement rather than actual cash losses i.e. those who become capped once the policy is in place haven't experienced any reductions in their benefit, just a lower maximum limit on the benefit they would, otherwise, have been entitled to. Households who do not make an adjustment before the lower cap is introduced would face a cash reduction in their benefit receipt.

The effects of the changes are shown in table 1 below. The 2016/17 figures shown currently assume the policy has a phased implementation. Plans for implementation are yet to be finalised and therefore a cautious approach has been taken using a third of full-year additional savings. In the initial Impact Assessment of the benefit cap in July 2015, only the 4-year working-age benefit freeze was modelled into the savings. This has been updated for new economic assumptions in a consistent way in the Budget 2016, in line with conventional reporting of the budget measures yet to be implemented; see Table 1. Presenting the savings from this policy in this way, on a consistent basis to the original scored savings, ensure full transparency on the impact on these savings from changes to the new forecast assumptions. The figures presented in the Budget 2016 documentation are separate from the final policy as the new exemptions are presented separately as a policy change. Figures in Table 1 are presented as Great Britain figures whereas those

⁷ The total number of households affected by the cap in any year will be larger than the average number as there are flows onto and out of the cap.

presented in the Summer Budget and Budget 2016 have been scaled up using the Barnett formula providing United Kingdom level figures.

Table 1: Additional AME savings from the benefit cap changes without behavioural responses (GB)

Additional Savings	2016/17	2017/18	2018/19	2019/20	2020/21
Summer Budget 2015 (cash terms)	£95m	£300m	£350m	£395m	£480m
Budget 2016 (cash terms)	£75m	£230m	£250m	£295m	£350m

Note: Figures rounded to the nearest £5m. Estimates are shown at a Great Britain level and made in the absence of behavioural changes.

The wider package of welfare reforms will reduce overall benefit spending as part of the wider fiscal consolidation taking place; these estimates are integrated into fiscal planning from the Summer Budget onwards. When looking at new measures, such as the exemption of Carer's Allowance and Guardian's Allowance, previous welfare changes are already in the baseline from which to estimate the impact of the change; which taking these changes into account results in the attribution of a lower savings estimate for the benefit cap overall. It is therefore not comparable to deduct the costs of exemptions from the headline numbers presented in Table 1.

Table 2 shows the estimated savings from the benefit cap when taking into account other welfare measures announced and the exemptions of Carer's Allowance and Guardian's Allowance. It is important to remember, however, that the change in presentation of the numbers does not affect the savings associated with the overall welfare package. For example, alongside any reductions in benefit cap savings from the interaction with other welfare reforms there will be corresponding increases in savings alongside other reforms, where the interaction with the benefit cap is not accounted for. The Office for Budget Responsibility works closely with departments to ensure that interactions between policies are taken into account and the value of the totality of the package was certified at the Summer Budget.

Table 2: Additional AME savings from the benefit cap changes without behavioural responses and taking into account other welfare reforms (GB)

Additional Savings	2016/17	2017/18	2018/19	2019/20	2020/21
Budget 2016 post interactions and including CA and GA exemptions (cash terms)	£65m	£155m	£110m	£100m	£110m
Budget 2016 post interactions and including CA and GA exemptions (15/16 prices)	£65m	£150m	£105m	£90m	£100m

Note: Figures rounded to the nearest £5m. Estimates are shown at a Great Britain level and made in the absence of behavioural changes.

The estimated savings have been based on a benefit cap level remaining at £20,000 and £23,000 in Greater London. The benefit cap level may be reviewed in line with a range of factors and considerations at least once in a Parliament and any change to the level would impact the savings from the policy change.

Savings from the policy are also sensitive to a number of other factors. They may be affected by behavioural responses to the policy. In addition estimates have been based on OBR economic assumptions for the Budget 2016 and if inflation was different to the forecast, the up-rating of working-age benefits in 2020/21 and the growth of eligible rents may be impacted resulting in changes to the number of households affected by the benefit cap and the average benefit reduction. Any additional welfare reforms subsequently announced may also have an impact on the number of households affected by the benefit cap and the average reduction in benefit entitlement.

The estimated savings and the impacts of the benefit cap have been assessed on a Great Britain basis. If the estimated savings were reflected at a United Kingdom level, savings would be estimated at £70m in 2016/17, £160m in 2017/18, £115m in 2018/19, £100m in 2019/20 and £115m in 2020/21 (cash terms). These are Great Britain figures scaled up using the Barnett formula; however, analysis is based on Great Britain.

Caseload

Taking other policies into account and in the absence of any behavioural response to the policy, around 64,000 additional households over and above those affected by the current cap at £26,000 will have their benefits reduced by the policy in 2016/17 (this is roughly 2% of the out-of-work benefit caseload). Within these households, in 2016/17, the additional number of adults affected is 76,000 and the number of children 161,000. The average total number of households affected by the change if they do not make the choice to move into employment or increase their hours is around 88,000 in 2016/17; this includes

those who would see their current cap lowered. The average total number of adults affected by the change if they do not make the choice to move into employment or increase their hours of work (or taken action to move out of scope for the cap) is 107,000 and the number of children is 244,000.

The reduction in the number of households in scope for the benefit cap reflects a number of changes since July 2015, including a record number in employment reducing the numbers on out-of-work benefits and a fall in the number affected by the current cap, with thousands of households moving into work. Other changes since July 2015 include a change in the economic assumptions at the Budget 2016 and the additional exemptions of Carer's Allowance and Guardian's Allowance.

The tiered approach recognises that almost half of all households currently capped are living in London, in contrast only 3% of capped households live in the North East. A tiered cap will mean that the distribution of capped households will be more broadly in line with the geographical distribution of Housing Benefit claimants. This will ensure that the work incentive effects are better felt across all of the country. See Annex 2 for Local Authority breakdown.

If those capped responded similarly to those assessed as part of the previous benefit cap evaluation we might expect to see those impacted by the cap being 41% more likely to go into work than a similar group who fall just below the cap's level

Table 3: Estimated number of capped households by region without behavioural responses (2016/17)

Region	Estimated number of households (2016/17)	Proportion of total households
North East	4,000	4%
North West	9,000	10%
Yorkshire and the Humber	7,000	8%
East Midlands	5,000	6%
West Midlands	10,000	11%
East of England	8,000	9%
London	19,000	22%
South East	11,000	13%
South West	5,000	6%
Scotland	5,000	6%
Wales	4,000	5%
Total	88,000	100%

Note: Figures rounded to the nearest 1,000. Estimates are shown in the absence of behavioural changes. Figures may not sum due to rounding.

Average amount of benefit reduction

Households making a behavioural response to the cap will not face a reduction in their benefit receipt. In those households not making a behavioural response to the cap the average (mean) reduction in benefit is estimated to be around £60 a week (median reduction of £49 a week). For many people who will be affected by the cap these reductions are notional changes in entitlement rather than actual cash losses i.e. those who become capped once the policy is in place haven't seen any reductions in their benefit, just a lower maximum limit on the benefit they would, otherwise, have been entitled to. Households who do not make an adjustment before the lower cap is introduced would face a cash reduction in their benefit receipt.

For those households who may be newly affected by the benefit cap (around 64,000 households in 2016/17), their average reduction in entitlement is around £39 per week. Households who would have had their benefit capped at £26,000 will lose a further £62 per week from the change. However, some households who may have been impacted by the policy may, therefore, move into work and be financially better off.

Around half (51%) of households affected will face a reduction of £50 per week or less. As a proportion of the caseload, this distribution of reduction in benefit entitlement is estimated to be similar to the distribution under the current benefit cap level.

Impacts of the policy on people with protected characteristics are set out in the following sections. It is

important to note these do not include any behavioural response to the cap, which might affect both numbers and types of cases impacted. For example, additional moves into employment, as observed with a £26,000 cap, may reduce the overall capped caseload.

Impacts of the policy change

All impacts are shown in a static world, without behavioural change, for 2017/18 as this is the first full year the policy is expected to be rolled out for. Impacts are subject to the same sensitivities as noted for the savings estimates.

This document records the analysis undertaken by the Department to enable Ministers to fulfil the requirements placed on them by the Public Sector Equality Duty (PSED) as set out in section 149 of the Equality Act 2010.

The PSED requires the Minister to pay due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

In undertaking the analysis, where applicable, the Department has also taken into account:

- the United Nations Convention on the Rights of the Child (UNCRC) and, in particular: Article 2 (the duty not to discriminate); Article 3 (the duty to treat the best interests of the child as a primary consideration); Article 6 (the right to life and to develop to the maximum extent possible); Article 9 (the right for children not to be separated from their parents against their will); Article 16 (prohibition against arbitrary or unlawful interference with private life, home and family); article 26 (social security); and article 27 (standard of living).
- the Convention on the Elimination of all forms of Discrimination Against Women in particular articles 2 (policy measures), 3 (Guarantee of Basic Human Rights and Fundamental Freedoms) and 13 (economic and social benefits);
- and the UN Convention on the Rights of Persons with Disabilities.

Gender

Modelling suggests that around 66% of claimants who are likely to have their benefit reduced by the cap will be single females but only around 13% will be single men.

Most of the single women affected are likely to be lone parents: this is because we expect the majority of households affected by the policy to have children. Around 61% of the caseload are estimated to be female lone parents.

For April to June 2016, the female employment rate of 69.6% was the highest since records began and there were 14.83m women in work⁸. Estimates also show that there were 1.229 million lone parents in employment (64.6%) in the UK in October to December 2015⁹.

⁸ <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2016>

⁹ <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/workingandworklesshouseholdstablemploymentratesofpeoplebyparentalstatus>

If lone parents capped responded similarly to those assessed as part of the previous benefit cap evaluation we could expect to see lone parents impacted by the cap being 51% more likely to go into work than similar lone parents who fall just below the cap's level.

Mitigations, outlined from page 13, include support for childcare costs, Discretionary Housing Payments and employment support.

Age

Modelling suggests that just over three-quarters (79%) of additional households affected will be aged 25 to 44 (ages are based on the age of the main claimant). This is mainly because those under 25 generally receive less in benefit payments and are less likely to have children. The cap will only apply to working-age benefits and will not impact on single people or couples who have both reached the qualifying age for Pension Credit. In Housing Benefit the cap will not apply to most couples where one partner has reached the qualifying age for Pension Credit. The age distribution of affected claimants remains broadly similar to the current cap.

Disability

Households where someone is in receipt of Disability Living Allowance (or its replacement, Personal Independence Payment), Attendance Allowance, Industrial Injuries Benefit, the support component of Employment Support Allowance or the Limited Capability for Work Related Activity element of Universal Credit are exempt from the benefit cap.

Any households including a claimant entitled to Carer's Allowance will no longer be capped under the change announced during the passage of the Welfare Reform and Work Act and due to take effect later this year; this exemption will also be applied to the equivalent group in Universal Credit. This change fits in with the wider Government strategy to do more to support and invest in carers. Set alongside the investment provided through the Care Act and the help available to find work, the exemption will help continue the Government's strategy to enable carers to stay or move into in paid employment where appropriate for them, whilst also fulfilling their valuable caring responsibilities.

Ethnicity

We cannot precisely quantify the number of capped households where a member is from an ethnic minority since recording of ethnicity on benefits administrative data isn't sufficiently reliable to be used. A large proportion of those affected by the benefit cap are larger families. Those from cultural backgrounds with a high prevalence of large families and households from certain ethnic minorities that tend to have a higher proportion of large families are more likely to be affected. A large proportion of the caseload is also in London which, relative to the rest of the country, has a more diverse population. An indicative proportion can be taken from the Ipsos MORI survey of affected claimants (with the cap set at £26,000) which found that 37% of households sampled in the cohort were from a black or minority ethnic background; however, the new cap will, relatively, have a greater proportion of its caseload outside London, so this finding needs to be treated with some caution.

Sexual orientation

The Department does not hold information on its administrative systems on the sexual orientation of claimants. The Government does not envisage an adverse impact on these grounds.

Pregnancy and maternity

The Department only holds information on pregnancy and maternity on its administrative systems where it is the primary reason for incapacity. It cannot therefore be used to accurately assess the equality impacts. The Government does not envisage an adverse impact on these grounds.

Religion or belief

The Department does not hold information on its administrative systems on the religion or beliefs of claimants. There may be some religions with a high prevalence of large families that are more likely to be affected. However, the Government does not envisage an adverse impact on these grounds.

Gender reassignment

The Department does not hold information on its administrative systems on gender reassignment. The Government does not envisage an adverse impact on these grounds.

Marriage and Civil Partnership

The Department does not hold information on its administrative systems on the marital or civil partnership status of claimants. The Government does not envisage an adverse impact on these grounds.

Carers

Any households including a claimant entitled to Carer's Allowance will no longer be capped under the change announced during the passage of the Welfare Reform and Work Act and due to take effect later this year; this exemption will also be applied to the equivalent group in Universal Credit. This change fits in with the wider Government strategy to do more to support and invest in carers. Set alongside the investment provided through the Care Act and the help available to find work, the exemption will help continue the Government's strategy to enable carers to stay or move into paid employment where appropriate for them, whilst also fulfilling their valuable caring responsibilities.

Life Chances

The new Life Chances legislation (incorporated into the Welfare Reform and Work Act) removes a number of the legal duties and measures set out in the Child Poverty Act 2010 and places a new duty on the Secretary of State to report annually on children in workless households and the educational attainment of children. This is because evidence shows these to be the two main factors leading to child poverty now and in the future (respectively).

The benefit cap is supportive of the Life Chances legislation in that this policy gives the incentive for people to make the choice to move into work.

The current benefit cap, at £26,000, has been shown to be successful with more households looking for, and finding work. The new, lower, tiered cap aims to build on this success by strengthening the work incentive for households. In this way the number of children living in workless households could fall over time.

What are we doing in mitigation?

DWP has a number of measures in place to ease the transition for families affected by the policy change. Our strategy is based on the principle of providing mainstream services that are flexible enough at the point of delivery to deal with the needs of individual customers. Most of the obstacles to labour market participation faced by our customers are very similar, whatever their background. Barriers that may exist - such as lack of confidence, poor educational achievement, low skill levels, childcare or disabilities - are universal. Where impediments are specific to a person's ethnic origins, such as lack of fluency in English, these can be addressed within the mainstream programmes. Additional childcare provided will better support households with children to make the decision to move into work.

There is evidence to show behavioural change prior to implementation for the £26,000 level of the benefit cap:

- Of those who entered work prior to implementation: over three-in-five people (62%) of those who took action said they looked for a job after being notified they would be affected by the benefit cap.
- Around 14% of households in scope for the cap in May 2012 (a year before implementation) moved into work after a year compared to around 11% for similar uncapped households. After controlling for a range of observable characteristics, those in scope for the cap were 1.5 percentage points (14%) more likely to enter employment after a year compared to similar uncapped households.

Employment support

There is a wide range of help and employment support currently offered and available by Jobcentre Plus and its partners such as the Work Programme and Work Choice.

Childcare Costs

Support for childcare costs for those in work is, under the current system, mainly provided through Working Tax Credit and households in receipt of Working Tax Credit are exempt from the cap. Under UC childcare support is paid via an element within UC and is available to all lone parents and couples, where both members are in work, regardless of the number of hours they work. Payments to support childcare costs through UC will not be affected by the cap and will continue to be received in full. This will help mitigate the impacts of the cap for parents whilst maintaining the work incentive effects of providing support for the costs of childcare for those in employment.

The government currently provides 15 hours of free childcare during term time for all three and four year olds and for the most disadvantaged two year olds. From September 2017 onwards, this free entitlement will be doubled to 30 hours a week for working parents of three and four year olds, worth around £5,000 a year per child. The Government will implement this extension of free hours early in eight local areas from September 2016. Additionally families on low incomes, who are eligible for Working Tax Credit, can already recover 70% of childcare costs, up to a limit of £175 per week for one child and £300 for two or more children. Under UC, from April 2016, the amount of eligible Childcare Costs that can be recovered is 85%, up to a limit of £646.35 per month for one child and £1,108.04 per month for two or more children, where lone parents or where both parents are in work, regardless of the number of hours they work.

Exemptions

Certain benefits and payments will result in exemption from the cap; these were effective under the £26,000 and remain in place under the policy change. In addition, two further exemptions for the new, lower, tiered benefit cap will be introduced:

- **Exempting households in receipt of Guardian's Allowance.** This Government values and recognises the service that guardians provide through offering a stable home for children who have lost their parents. An exemption from the benefit cap emphasises that the Government both recognises the difficult circumstances these families face and strongly values the role of guardians in helping vulnerable and bereaved children stay with their families.
- **Exempting households in receipt, or who have underlying entitlement to, Carer's Allowance.** Any households including a claimant entitled to Carer's Allowance will no longer be capped under the change announced during the passage of the Welfare Reform and Work Act and due to take effect later this year; this exemption will also be applied to the equivalent group in Universal Credit. This change fits in with the wider Government strategy to do more to support and invest in carers. Set alongside the investment provided through the Care Act and the help available to find work, the exemption will help continue the Government's strategy to enable carers to stay or move into paid employment where appropriate for them, whilst also fulfilling their valuable caring responsibilities.

Discretionary Housing Payments

DHPs¹⁰ make an important contribution to managing the transition for various customers whilst they make the necessary changes to adapt to the application of the benefit cap. Resources are available to provide short-term, temporary relief to families who may face a variety of challenges. DHPs can also help families manage their move into more appropriate accommodation. Each case is considered on its own merits rather than on predefined criteria. An additional £65 million was provided for this purpose in 2013/14 and a further £45 million in 2014/15 and £25m in 2015/16.

A total of £870m in Discretionary Housing Payments is being provided over the next 5 years (from 2016/17) which are available to vulnerable people who need extra support. In circumstances where the HB weekly payment would reduce to below £0.50 – a weekly amount of £0.50 remains in payment to enable access to the DHP Scheme and passported benefits.

In 2015/16, benefit cap DHP expenditure was around £14m, 71% of the allocation to the 319 Local Authorities that returned data on benefit cap expenditure¹¹.

Evidence from the evaluation of the £26,000 cap showed that more than two in five (42%) of respondents applied for and received DHP, half of whom (22% overall) were no longer receiving them. Those who applied for and got DHP and who are still receiving them are more likely to have a benefit cap of at least £100 a week (41%), pay £300 or more in rent a week (29%) or live in a council/local authority property (39%). Respondents who are no longer receiving DHP are more likely to be from one-parent families with two or more children (68%) or from a black and minority ethnic background (48%)

Households who had not received DHPs were more likely to say that they had not made any progress to overcome barriers to work (48% compared to 36% overall). Evidence from across the evaluation showed that households affected may not have seen DHP as a long-term solution.

Implementation plans

Lowering the benefit cap threshold will include activity in Universal Credit and in the legacy benefits and we will be working from the existing benefit cap arrangements. The implementation of the benefit cap will include customer engagement and support ahead of the actual capping. The Department will be aiming to follow its best practice of a phased roll out; the new levels will launch from November 2016 with roll-out completed by 2017.

Monitoring and evaluation

On 15 December 2014, a review of the first year of the benefit cap was published alongside four reports which explored the progress from policy development to implementation of the current benefit cap. They reviewed the progress so far against the three main aims of the benefit cap:

- 1) Increase incentives to work
- 2) Introduce greater fairness in the welfare system
- 3) Make financial savings

We are committed to monitoring the impacts of our policies and to establishing the extent to which they have met their objectives.

The department will continue to produce Official Statistics on the benefit cap on a quarterly basis allowing frequent monitoring on the number of households affected by the policy. The statistics cover:

- Cumulative and point-in-time statistics on the number of households capped in Great Britain, regional and local authority level by household type, number of children and amount of the benefit cap.

¹⁰ DHPs provide claimants with further financial assistance, in addition to any welfare benefits, when an LA considers that help with housing costs is required.

¹¹ <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-201516>

- Great Britain and regional level off-flow statistics from the benefit and by reason of the off-flow.
- Further breakdowns are also available by local authority and Parliamentary Constituency.

Annex 1: Data used to model the benefit cap

This analysis has been performed on bespoke datasets commissioned for the purpose of evaluating the benefit cap, created from a range of administrative benefit records from different sources within the Department for Work and Pensions, Her Majesty's Revenue and Customs (HMRC) and Local Authorities (LAs) including:

The Single Housing Benefit Extract (SHBE): SHBE is a monthly electronic record of claimant level data compiled from scans directly taken from Local Authority Housing Benefit administration systems and is the main source of data on Housing Benefit. Local Authorities (LAs) send DWP data on a rolling timescale, therefore this data is the best information on Housing Benefit payments in that month, but is not a snapshot across all LAs on a specific date. It provides contextual information such as the current claim amount, postcode and tenure type. Where a record is not found, for example due to a non-return, the most recent return is used instead. The vast majority of returns are received every month so this is not a widespread flaw in the data.

This is then matched to the:

Work and Pensions Longitudinal Study (WPLS): WPLS links benefit and programme information held by DWP on its claimants to employment records from HMRC. This provides information on weekly Child Tax Credit and Working Tax Credit entitlement (including nil entitlements), benefit income data, and demographic details about claimants.

Further input is then provided from other data sources to obtain information on other benefit types including Personal Independence Payments and Child Benefit. Where all claim information across sources are linked to the HB lead claimant and, where applicable, partner.

The benefit cap datasets were created for each month using the latest information available. Each dataset presents the best information we have on benefit income of households in that specific month from our administrative data. For example, for the April 2013 benefit cap dataset, data was used from the 2nd May 2013 scan from SHBE, March 2014 from WPLS, and April 2013 for other datasets.

As data is drawn from administrative records, some variables are not available or are incomplete in the data. However we explored the use of more variables than were eventually included in the data. For example, ethnicity was considered as a possible variable to include in the dataset, but due to the number of missing records, it would not provide an accurate breakdown and is therefore not available on the dataset.

The evidence from historic data suggests that the actual number in scope for the cap is around 73% of the initial estimate from administrative data so a proportional adjustment is made to account for this. One reason for this difference is that the initial estimate includes households that may be exempt from the cap due to the grace period and also does not account for some housing costs being disregarded from the benefit cap calculation (those paid in respect of 'supported exempt accommodation' and 'specified accommodation'). Another reason is that using past benefit records for future action results in a data lag whereby some households are identified as in scope from the data, but are not in scope at the time the cap is being applied by the LA. This is partly due to the datasets being created retrospectively, so they include some households that receive backdated awards that wouldn't have been known about at the time. It may also be due to households circumstances changing prior to the cap being applied by the LA. A proportional adjustment is therefore made to the data to account for these factors.

These operational data-lags and uncertainties around numbers affected by the grace period and disregarded housing costs means that our estimates of those capped are not the same as the Official Statistics. Official Statistics use a different methodology, whereby they identify households who have actually had the cap applied by LAs as a starting point. The Official Statistics are quality assured to standards set out by the UK Statistics Authority, whilst our methodology for this analysis has been developed with the advice of the Institute for Fiscal Studies. However our estimated levels converge closely with the actually capped caseload (as shown in Official Statistics) providing confidence in the reliability of the estimates of those in scope for the cap.

Annex 2: Estimates of the number of households in scope for the new benefit cap in 2016/17 by Local Authority

To further support Local Authorities in their planning for the implementation of the new, lower, tiered benefit cap level, an estimate of the potential number of households in scope for the new benefit cap in 2016/17 is provided in the tables below. This updates the previous ad-hoc publication from February 2016. These estimates do not take into account the expected behavioural changes from the reform¹².

Cautionary notes

Data timeliness

Data from November 2015 was used to underpin this analysis. However it should be recognised that benefit caseloads, and the numbers affected by the benefit cap, reflect labour market and other socio-economic conditions in the UK. Therefore these estimates are subject to change over time.

Benefit cap official statistics

The estimates provided here are not Official Statistics. Official Statistics are quality assured to standards set out by the UK Statistics Authority, and are available on a quarterly basis for the current £26,000 benefit cap level¹³. This ad-hoc analysis estimates the potential number of households by Local Authority which, in the absence of any behavioural change, may be affected by the £20,000 (£23,000 in London) benefit cap. However our estimated levels for the £26,000 benefit cap converge closely with the actually capped caseload providing some confidence in the reliability of our estimates of those in scope for the new cap levels.

Rounding

Estimates have been rounded to the nearest 100 households. For Local Authorities with fewer than 50 households, these are recorded as “-“ to avoid the release of confidential data.

¹² See the benefit cap evaluation: <https://www.gov.uk/government/publications/benefit-cap-evaluation>

¹³ <https://www.gov.uk/government/collections/benefit-cap-statistics>

Local Authority	JCP District	Estimated number of households (2016/17)
Aberdeen City	North of Scotland	200
Aberdeenshire	North of Scotland	100
Adur	Surrey and Sussex	100
Allerdale	Cumbria and Lancashire	100
Amber Valley	Midland Shires	100
Angus	North of Scotland	100
Argyll & Bute	West of Scotland	-
Arun	Surrey and Sussex	200
Ashfield	Lincolnshire, Nottinghamshire and Rutland	200
Ashford	Kent	200
Aylesbury Vale	Thames Valley	100
Babergh	East Anglia	100
Barking and Dagenham	East London	500
Barnet	North London	800
Barnsley	South Yorkshire	300
Barrow-in-Furness	Cumbria and Lancashire	100
Basildon	Essex	300
Basingstoke and Deane	Greater Wessex	200
Bassetlaw	Lincolnshire, Nottinghamshire and Rutland	100
Bath and North East Somerset UA	Gloucestershire and West Of England	200
Bedford UA	Bedfordshire and Hertfordshire	300
Bexley	South London	300
Birmingham	Birmingham and Solihull	3,900
Blaby	Leicestershire and Northamptonshire	-
Blackburn with Darwen UA	Cumbria and Lancashire	300
Blackpool UA	Cumbria and Lancashire	300
Blaenau Gwent	South East Wales	100
Bolsover	Midland Shires	100
Bolton	Greater Manchester East and West	500
Boston	Lincolnshire, Nottinghamshire and Rutland	100
Bournemouth UA	Greater Wessex	300
Bracknell Forest UA	Thames Valley	100
Bradford	West Yorkshire	1,000
Braintree	Essex	100
Breckland	East Anglia	100
Brent	West London	1,500
Brentwood	Essex	100
Bridgend	South West Wales	200
Brighton and Hove UA	Surrey and Sussex	600
Bristol UA	Gloucestershire and West Of England	700
Broadland	East Anglia	-
Bromley	South London	200
Bromsgrove	Mercia	100
Broxbourne	Bedfordshire and Hertfordshire	200
Broxtowe	Lincolnshire, Nottinghamshire and Rutland	100

Local Authority	JCP District	Estimated number of households (2016/17)
Burnley	Cumbria and Lancashire	100
Bury	Greater Manchester East and West	200
Caerphilly	South East Wales	300
Calderdale	West Yorkshire	300
Cambridge	East Anglia	100
Camden	North London	600
Cannock Chase	Midland Shires	100
Canterbury	Kent	200
Cardiff	South East Wales	1,000
Carlisle	Cumbria and Lancashire	100
Carmarthenshire	South West Wales	200
Castle Point	Essex	100
Central Bedfordshire UA	Bedfordshire and Hertfordshire	200
Ceredigion	South West Wales	-
Charnwood	Leicestershire and Northamptonshire	100
Chelmsford	Essex	200
Cheltenham	Gloucestershire and West Of England	100
Cherwell	Thames Valley	200
Cheshire East UA	Greater Manchester Central and Cheshire	300
Cheshire West and Chester UA	Greater Manchester Central and Cheshire	300
Chesterfield	Midland Shires	100
Chichester	Surrey and Sussex	100
Chiltern	Thames Valley	100
Chorley	Cumbria and Lancashire	100
Christchurch	Greater Wessex	-
City of London	East London	-
Clackmannanshire	East and South East Scotland	100
Colchester	Essex	200
Conwy	North and Mid Wales	100
Copeland	Cumbria and Lancashire	-
Corby	Leicestershire and Northamptonshire	100
Cornwall UA	Devon, Cornwall and Somerset	600
Cotswold	Gloucestershire and West Of England	-
County Durham UA	Durham and Tees Valley	600
Coventry	Mercia	700
Craven	North East Yorkshire and the Humber	-
Crawley	Surrey and Sussex	300
Croydon	South London	700
Dacorum	Bedfordshire and Hertfordshire	200
Darlington UA	Durham and Tees Valley	200
Dartford	Kent	100
Daventry	Leicestershire and Northamptonshire	100
Denbighshire	North and Mid Wales	100
Derby UA	Midland Shires	500
Derbyshire Dales	Midland Shires	-

Local Authority	JCP District	Estimated number of households (2016/17)
Doncaster	South Yorkshire	500
Dover	Kent	100
Dudley	Black Country	400
Dumfries & Galloway	West of Scotland	100
Dundee City	North of Scotland	200
Ealing	West London	1,300
East Ayrshire	West of Scotland	100
East Cambridgeshire	East Anglia	100
East Devon	Devon, Cornwall and Somerset	100
East Dorset	Greater Wessex	-
East Dunbartonshire	Glasgow, Lanarkshire and East Dunbartonshire	100
East Hampshire	Greater Wessex	100
East Hertfordshire	Bedfordshire and Hertfordshire	100
East Lindsey	Lincolnshire, Nottinghamshire and Rutland	100
East Lothian	East and South East Scotland	100
East Northamptonshire	Leicestershire and Northamptonshire	100
East Renfrewshire	West of Scotland	-
East Riding of Yorkshire UA	North East Yorkshire and the Humber	200
East Staffordshire	Midland Shires	100
Eastbourne	Surrey and Sussex	100
Eastleigh	Greater Wessex	100
Eden	Cumbria and Lancashire	-
Edinburgh	East and South East Scotland	800
Eilean Siar	North of Scotland	-
Elmbridge	Surrey and Sussex	100
Enfield	North London	1,200
Epping Forest	Essex	200
Epsom and Ewell	Surrey and Sussex	100
Erewash	Midland Shires	200
Exeter	Devon, Cornwall and Somerset	100
Falkirk	East and South East Scotland	100
Fareham	Greater Wessex	100
Fenland	East Anglia	100
Fife	East and South East Scotland	400
Flintshire	North and Mid Wales	100
Forest Heath	East Anglia	100
Forest Of Dean	Gloucestershire and West Of England	100
Fylde	Cumbria and Lancashire	-
Gateshead	Northumberland, Tyne and Wear	200
Gedling	Lincolnshire, Nottinghamshire and Rutland	100
Glasgow City	Glasgow, Lanarkshire and East Dunbartonshire	1,000
Gloucester	Gloucestershire and West Of England	200
Gosport	Greater Wessex	100
Gravesham	Kent	200
Great Yarmouth	East Anglia	100

Local Authority	JCP District	Estimated number of households (2016/17)
Greenwich	South London	400
Guildford	Surrey and Sussex	100
Gwynedd	North and Mid Wales	100
Hackney	East London	1,200
Halton UA	Merseyside	200
Hambleton	North East Yorkshire and the Humber	-
Hammersmith and Fulham	West London	500
Harborough	Leicestershire and Northamptonshire	-
Haringey	North London	800
Harlow	Essex	200
Harrogate	North East Yorkshire and the Humber	-
Harrow	West London	300
Hart	Greater Wessex	100
Hartlepool UA	Durham and Tees Valley	200
Hastings	Surrey and Sussex	200
Havant	Greater Wessex	100
Havering	East London	300
Herefordshire UA	Mercia	200
Hertsmere	Bedfordshire and Hertfordshire	200
High Peak	Midland Shires	100
Highland	North of Scotland	100
Hillingdon	West London	500
Hinckley and Bosworth	Leicestershire and Northamptonshire	100
Horsham	Surrey and Sussex	100
Hounslow	West London	500
Huntingdonshire	East Anglia	100
Hyndburn	Cumbria and Lancashire	100
Inverclyde	West of Scotland	100
Ipswich	East Anglia	200
Isle of Anglesey	North and Mid Wales	100
Isle of Wight UA	Greater Wessex	100
Isles of Scilly	Devon, Cornwall and Somerset	-
Islington	North London	600
Kensington and Chelsea	North London	500
Kettering	Leicestershire and Northamptonshire	100
King's Lynn and West Norfolk	East Anglia	100
Kingston upon Hull UA	North East Yorkshire and the Humber	500
Kingston upon Thames	West London	200
Kirklees	West Yorkshire	500
Knowsley	Merseyside	300
Lambeth	South London	600
Lancaster	Cumbria and Lancashire	200
Leeds	West Yorkshire	1,100
Leicester UA	Leicestershire and Northamptonshire	700
Lewes	Surrey and Sussex	100

Local Authority	JCP District	Estimated number of households (2016/17)
Lewisham	South London	600
Lichfield	Midland Shires	100
Lincoln	Lincolnshire, Nottinghamshire and Rutland	200
Liverpool	Merseyside	900
Luton UA	Bedfordshire and Hertfordshire	600
Maidstone	Kent	200
Maldon	Essex	-
Malvern Hills	Mercia	100
Manchester	Greater Manchester Central and Cheshire	1,200
Mansfield	Lincolnshire, Nottinghamshire and Rutland	200
Medway UA	Kent	500
Melton	Leicestershire and Northamptonshire	-
Mendip	Devon, Cornwall and Somerset	100
Merthyr Tydfil	South East Wales	100
Merton	South London	200
Mid Devon	Devon, Cornwall and Somerset	-
Mid Suffolk	East Anglia	-
Mid Sussex	Surrey and Sussex	100
Middlesbrough UA	Durham and Tees Valley	400
Midlothian	East and South East Scotland	100
Milton Keynes UA	Thames Valley	400
Mole Valley	Surrey and Sussex	100
Monmouthshire	South East Wales	100
Moray	North of Scotland	-
Neath Port Talbot	South West Wales	200
New Forest	Greater Wessex	100
Newark and Sherwood	Lincolnshire, Nottinghamshire and Rutland	100
Newcastle Upon Tyne	Northumberland, Tyne and Wear	500
Newcastle-under-Lyme	Midland Shires	100
Newham	East London	800
Newport	South East Wales	300
North Ayrshire	West of Scotland	200
North Devon	Devon, Cornwall and Somerset	100
North Dorset	Greater Wessex	-
North East Derbyshire	Midland Shires	100
North East Lincolnshire UA	North East Yorkshire and the Humber	300
North Hertfordshire	Bedfordshire and Hertfordshire	100
North Kesteven	Lincolnshire, Nottinghamshire and Rutland	100
North Lanarkshire	Glasgow, Lanarkshire and East Dunbartonshire	300
North Lincolnshire UA	North East Yorkshire and the Humber	200
North Norfolk	East Anglia	100
North Somerset UA	Gloucestershire and West Of England	200
North Tyneside	Northumberland, Tyne and Wear	200
North Warwickshire	Mercia	-
North West Leicestershire	Leicestershire and Northamptonshire	100

Local Authority	JCP District	Estimated number of households (2016/17)
Northampton	Leicestershire and Northamptonshire	300
Northumberland UA	Northumberland, Tyne and Wear	300
Norwich	East Anglia	200
Nottingham UA	Lincolnshire, Nottinghamshire and Rutland	800
Nuneaton and Bedworth	Mercia	100
Oadby and Wigston	Leicestershire and Northamptonshire	-
Oldham	Greater Manchester East and West	400
Orkney Islands	North of Scotland	-
Oxford	Thames Valley	300
Pembrokeshire	South West Wales	100
Pendle	Cumbria and Lancashire	100
Perth & Kinross	North of Scotland	100
Peterborough UA	East Anglia	300
Plymouth UA	Devon, Cornwall and Somerset	300
Poole UA	Greater Wessex	200
Portsmouth UA	Greater Wessex	400
Powys / Powys	North and Mid Wales	100
Preston	Cumbria and Lancashire	200
Purbeck	Greater Wessex	-
Reading UA	Thames Valley	500
Redbridge	East London	400
Redcar and Cleveland UA	Durham and Tees Valley	300
Redditch	Mercia	100
Reigate and Banstead	Surrey and Sussex	100
Renfrewshire	West of Scotland	100
Rhondda Cynon Taf	South West Wales	300
Ribble Valley	Cumbria and Lancashire	-
Richmond upon Thames	West London	200
Richmondshire	North East Yorkshire and the Humber	-
Rochdale	Greater Manchester East and West	300
Rochford	Essex	100
Rosendale	Cumbria and Lancashire	100
Rother	Surrey and Sussex	100
Rotherham	South Yorkshire	400
Rugby	Mercia	100
Runnymede	Surrey and Sussex	100
Rushcliffe	Lincolnshire, Nottinghamshire and Rutland	-
Rushmoor	Greater Wessex	100
Rutland UA	Lincolnshire, Nottinghamshire and Rutland	-
Ryedale	North East Yorkshire and the Humber	-
Salford	Greater Manchester Central and Cheshire	400
Sandwell	Black Country	700
Scarborough	North East Yorkshire and the Humber	100
Scottish Borders	East and South East Scotland	100
Sedgemoor	Devon, Cornwall and Somerset	100

Local Authority	JCP District	Estimated number of households (2016/17)
Sefton	Merseyside	200
Selby	North East Yorkshire and the Humber	-
Sevenoaks	Kent	100
Sheffield	South Yorkshire	700
Shepway	Kent	100
Shetland Islands	North of Scotland	-
Shropshire UA	Midland Shires	300
Slough UA	Thames Valley	400
Solihull	Birmingham and Solihull	200
South Ayrshire	West of Scotland	100
South Bucks	Thames Valley	100
South Cambridgeshire	East Anglia	100
South Derbyshire	Midland Shires	100
South Gloucestershire UA	Gloucestershire and West Of England	200
South Hams	Devon, Cornwall and Somerset	-
South Holland	Lincolnshire, Nottinghamshire and Rutland	100
South Kesteven	Lincolnshire, Nottinghamshire and Rutland	100
South Lakeland	Cumbria and Lancashire	-
South Lanarkshire	Glasgow, Lanarkshire and East Dunbartonshire	300
South Norfolk	East Anglia	100
South Northamptonshire	Leicestershire and Northamptonshire	-
South Oxfordshire	Thames Valley	100
South Ribble	Cumbria and Lancashire	100
South Somerset	Devon, Cornwall and Somerset	100
South Staffordshire	Midland Shires	100
South Tyneside	Northumberland, Tyne and Wear	200
Southampton UA	Greater Wessex	400
Southend-on-Sea UA	Essex	400
Southwark	South London	500
Spelthorne	Surrey and Sussex	200
St Albans	Bedfordshire and Hertfordshire	100
St Edmundsbury	East Anglia	100
St. Helens	Merseyside	300
Stafford	Midland Shires	100
Staffordshire Moorlands	Midland Shires	-
Stevenage	Bedfordshire and Hertfordshire	100
Stirling	East and South East Scotland	-
Stockport	Greater Manchester East and West	200
Stockton-on-Tees UA	Durham and Tees Valley	300
Stoke-on-Trent UA	Midland Shires	500
Stratford-on-Avon	Mercia	100
Stroud	Gloucestershire and West Of England	100
Suffolk Coastal	East Anglia	100
Sunderland	Northumberland, Tyne and Wear	400
Surrey Heath	Surrey and Sussex	100

Local Authority	JCP District	Estimated number of households (2016/17)
Sutton	South London	100
Swale	Kent	300
Swansea	South West Wales	300
Swindon UA	Thames Valley	300
Tameside	Greater Manchester East and West	300
Tamworth	Midland Shires	100
Tandridge	Surrey and Sussex	100
Taunton Deane	Devon, Cornwall and Somerset	100
Teignbridge	Devon, Cornwall and Somerset	100
Telford and Wrekin UA	Midland Shires	400
Tendring	Essex	300
Test Valley	Greater Wessex	100
Tewkesbury	Gloucestershire and West Of England	100
Thanet	Kent	200
The Vale of Glamorgan	South East Wales	100
Three Rivers	Bedfordshire and Hertfordshire	100
Thurrock UA	Essex	400
Tonbridge and Malling	Kent	100
Torbay UA	Devon, Cornwall and Somerset	200
Torfaen	South East Wales	200
Torridge	Devon, Cornwall and Somerset	100
Tower Hamlets	East London	900
Trafford	Greater Manchester Central and Cheshire	200
Tunbridge Wells	Kent	100
Uttlesford	Essex	-
Vale of White Horse	Thames Valley	100
Wakefield	West Yorkshire	400
Walsall	Black Country	700
Waltham Forest	East London	600
Wandsworth	West London	600
Warrington UA	Greater Manchester Central and Cheshire	200
Warwick	Mercia	100
Watford	Bedfordshire and Hertfordshire	200
Waveney	East Anglia	100
Waverley	Surrey and Sussex	100
Wealden	Surrey and Sussex	100
Wellingborough	Leicestershire and Northamptonshire	100
Welwyn Hatfield	Bedfordshire and Hertfordshire	200
West Berkshire UA	Thames Valley	200
West Devon	Devon, Cornwall and Somerset	-
West Dorset	Greater Wessex	100
West Dunbartonshire	West of Scotland	100
West Lancashire	Cumbria and Lancashire	100
West Lindsey	Lincolnshire, Nottinghamshire and Rutland	100
West Lothian	East and South East Scotland	100

Local Authority	JCP District	Estimated number of households (2016/17)
West Oxfordshire	Thames Valley	100
West Somerset	Devon, Cornwall and Somerset	-
Westminster	North London	800
Weymouth and Portland	Greater Wessex	100
Wigan	Greater Manchester East and West	300
Wiltshire UA	Greater Wessex	300
Winchester	Greater Wessex	100
Windsor and Maidenhead UA	Thames Valley	100
Wirral	Merseyside	400
Woking	Surrey and Sussex	100
Wokingham UA	Thames Valley	100
Wolverhampton	Black Country	600
Worcester	Mercia	100
Worthing	Surrey and Sussex	100
Wrexham	North and Mid Wales	100
Wychavon	Mercia	100
Wycombe	Thames Valley	200
Wyre	Cumbria and Lancashire	100
Wyre Forest	Mercia	100
York UA	North East Yorkshire and the Humber	100