

# Freedom of Information request 0624/2015

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## Information request

Please can you provide me with (up-to-date figures) of the total amount that had been paid out through the Support for Mortgage Interest (SMI) scheme since its inception. Furthermore, please provide a breakdown of the figures, including the number of households that took advantage of the scheme and what types of mortgages they held as well as the ages of the recipients. A yearly breakdown would be helpful too. I have read the 2010 report, so I'm looking for more up-to-date data.

## DWP response

The Department does not hold the full set of information requested. Below I have set out where a subset of the information can be found on the GOV.uk website and some additional tables derived from the Department's forecasting models, administrative data sources, and sample data provided by the Council of Mortgage Lenders.

### Historic expenditure and caseload

Support for Mortgage Interest existed as part of Income Support from 1988. Prior to 1988 amounts for interest payments and other housing costs could be received as part of Supplementary Benefit.

Note that Support for Mortgage Interest is not always paid as a discrete amount of benefit. It takes the form of an amount that is taken into account in setting the "applicable amount" used to assess a claimant's needs, so cannot be identified separately in accounting data, and is not always distinguishable from amounts associated with other forms of housing costs.

An annual series of estimated historic and forecast expenditure and caseload for Support for Mortgage Interest (SMI) from 2004/05 onwards is available on the gov.uk website, in tables 3a, 3b and 3c of [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/402372/Outturn-and-forecast-AS-2014.xlsx](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/402372/Outturn-and-forecast-AS-2014.xlsx). This is accessible through the "Outturn and forecast: Autumn Statement 2014" link on the 2014 expenditure tables page at <https://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2014>.

These tables will next be updated shortly after Budget 2015.

Tables 1a and 1b below extend these expenditure estimates back to 1997/98, based on information derived from the Department's Quarterly Statistical Enquiry administrative datasets and held in the models previously used to forecast expenditure on Income Support and Jobseeker's Allowance.

**Table 1a:** Estimated historic expenditure on Support for Mortgage Interest and other housing requirements in cash terms

£m	1997/ 98	1998/ 99	1999/ 00	2000/ 01	2001/ 02	2002/ 03	2003/ 04
Pension Credit and equivalents	117	132	110	125	120	100	101
Total below Pension Credit qualifying age	550	538	388	396	333	236	212
of which							
Income Support sick and disabled	163	187	150	169	154	119	112
Income Support for Lone Parents	203	198	141	138	115	75	63
Jobseeker's Allowance	144	118	75	66	44	29	26
Others in receipt of Income Support	39	35	22	22	20	13	10
<b>Total income-replacement benefits</b>	<b>667</b>	<b>671</b>	<b>498</b>	<b>521</b>	<b>453</b>	<b>337</b>	<b>313</b>

**Table 1b:** Estimated historic expenditure on Support for Mortgage Interest and other housing requirements in real terms, 2014/15 prices.

£m	1997/ 98	1998/ 99	1999/ 00	2000/ 01	2001/ 02	2002/ 03	2003/ 04
Pension Credit and equivalents	180	195	159	179	170	139	137
Total below Pension Credit qualifying age	847	795	563	565	470	327	288
of which							
Income Support sick and disabled	252	276	218	242	218	165	153
Income Support for Lone Parents	313	293	204	198	162	103	86
Jobseeker's Allowance	222	175	109	94	62	41	36
Others in receipt of Income Support	60	51	33	31	28	18	14
<b>Total income-replacement benefits</b>	<b>1,027</b>	<b>991</b>	<b>722</b>	<b>744</b>	<b>641</b>	<b>466</b>	<b>426</b>

Source: Analysis of DWP statistical and accounting data

These estimates may slightly overstate the amount actually spent on Support for Mortgage Interest for two reasons. Firstly, some other forms of non-mortgage housing costs may be included (e.g. ground rents, leaseholders' service charges). This is a small effect for working age benefits, estimated at only around 5% of the total, but is larger for Pension Credit. The Pension Credit figures for 2004/05 and beyond presented in the published expenditure tables have been adjusted to take account of this. In 2004/05 around 15% of the Pension Credit expenditure associated with housing requirements was not related to mortgage interest.

Secondly, the estimates are based on administrative records of the amounts of housing costs that are taken into account in the calculation of a claimant's award. Where a claimant would not have been entitled to any benefit in the absence of an amount for housing costs, the actual benefit in payment will be less than the amount of housing costs included in the benefit calculation. This effect is not thought to be significant.

## Age breakdowns

Breakdowns of the Income Support and Jobseeker's Allowance SMI caseloads by age are available through the tabulation tool interface at [http://83.244.183.180/5pc/is\\_prim/tabtool\\_is\\_prim.html](http://83.244.183.180/5pc/is_prim/tabtool_is_prim.html) and [http://83.244.183.180/5pc/jsa\\_prim/tabtool\\_jsa\\_prim.html](http://83.244.183.180/5pc/jsa_prim/tabtool_jsa_prim.html), by selecting the 'housing requirements' option. A breakdown by age of Pension Credit SMI caseloads is shown in table 2 below. These are derived from the same administrative data source as the 5% tabulation tool outputs available at [http://83.244.183.180/5pc/pc\\_prim/tabtool\\_pc\\_prim.html](http://83.244.183.180/5pc/pc_prim/tabtool_pc_prim.html), aligned to total caseloads derived from 100% administrative data at [http://83.244.183.180/100pc/pc/tabtool\\_pc.html](http://83.244.183.180/100pc/pc/tabtool_pc.html).

**Table 2:** Age breakdown of the Pension Credit SMI caseload

Caseload (thousands)	Age					
	60-64	65-69	70-74	75-79	80+	Total
May-04	30	27	18	14	17	<b>106</b>
May-05	32	29	20	16	19	<b>115</b>
May-06	32	30	21	16	19	<b>117</b>
May-07	30	28	20	17	19	<b>115</b>
May-08	29	27	22	16	19	<b>112</b>
May-09	32	27	22	17	19	<b>116</b>
May-10	34	27	22	16	19	<b>118</b>
May-11	29	27	20	15	19	<b>109</b>
May-12	24	25	18	14	17	<b>97</b>
May-13	18	24	17	13	16	<b>88</b>
May-14	13	21	16	12	15	<b>76</b>

Source: Pension Credit 5% Quarterly Statistical Enquiry, aligned to total Pension Credit caseload as shown in 100% tabulation tool

The Department does not publish regular statistics on the ESA SMI caseload. Table 3 below gives an estimated age breakdown of ESA SMI caseload at September 2013. These estimates are derived from a bespoke scan of the Department's administrative systems.

**Table 3:** Estimated age breakdown of ESA SMI recipients at September 2013

Age	Caseload (thousands)
Under 25	<0.5
25-34	2
35-44	9
44-54	19
55-59	9
60+	3
<b>Total</b>	<b>41</b>

Source: Extract from the JSAPS system at September 2013.

### **Types of mortgage**

The Department's administrative data does not identify the types of mortgages held by SMI claimants as this is not relevant to the calculation of the benefit award. The figures presented in the 2010 Equality Impact Assessment at

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220238/support-for-mortgage-interest.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220238/support-for-mortgage-interest.pdf) were estimates based on a sample provided by the Council of Mortgage Lenders (CML), and applied only to claims where the payment goes directly to the lender through the Mortgage Interest Direct scheme.

The Department has subsequently received one further sample from the CML. On the basis of this new sample, it is estimated that in 2013 approximately 50% of recipients had a repayment mortgage, and 50% had an interest only or part repayment mortgage. The same caveats apply as for the previous sample, and this estimate should be regarded as illustrative.