

Statistical Notice

DATE: 16 October 2018

Coverage: Great Britain
Theme: Labour Market and Welfare

Issued by:

Income-Related Benefits:
Estimates of Take-up team
Dept. for Work and Pensions

Telephone: 0191 216 8950
Press Office: 020 3267 5144

[DWP website](#)

Statistician:

Joanne Burrage
Income-Related Benefits:
Estimates of Take-up team
Dept. for Work and Pensions
BP5201, Benton Park View,
Benton Park Road,
Newcastle upon Tyne NE98
1YX

Telephone: 0191 216 8950
Email:

IRB.TAKEUP@DWP.GSI.GOV.UK

Income-Related Benefits: Estimates of Take-up 2016/17 – changes

This Statistical Notice advises users of four changes to the Income-Related Benefits: Estimates of Take-up Official Statistics publication. The changes will take effect for the 2016/17 publication, pre-announced for publication on 15 November 2018.

The changes are:

- The removal of Jobseeker's Allowance (JSA) due to data quality issues. Note we do not yet include estimates for Universal Credit (UC).
- A change to the approach to obtaining consent to link respondents of the Family Resources Survey (FRS).
- An enhancement to the methodology for calculating take-up.
- Correction to pensions uprating in the 2015/16 data.

The decision has been taken to remove JSA from the publication as:

- The DWP's Policy Simulation Model (PSM) is a static micro simulation model of the UK tax and benefit system. It takes reported information from the FRS on benefit units and models what the benefit unit might be entitled to or earn based on the tax and benefit rules in the FRS year. The PSM is used in the derivation of the estimates for people that are entitled to but not receiving a benefit. Due to continuing UC rollout, in the PSM there is no practical way to distinguish between JSA and UC at entitlement level for the purposes of estimating take-up statistics. Therefore the JSA data are not of a suitable quality to be published. We are also unable to estimate UC take-up rates at present.

Historic JSA take-up rates can be found in previous publications. These rates are unaffected.

The change to the approach to consent for data linking provides an improved measure of take-up by:

- Increasing the amount of survey data matched to administrative data, therefore strengthening the accuracy of the estimates.

The enhanced methodology provides an improved measure of take-up by:

- Using a more accurate calculation to remove full-time students from the group that are entitled to a benefit but not receiving it, across all applicable benefits.

A consistent back series will be produced for this specific change.

The correction to pensions uprating for 2015/16 provides an improved measure of take-up by:

- Correcting an out-of-date basic State Pension value used for pensions uprating for 2015/16.

Further detail on these changes will be presented in the Income-Related Benefits: Estimates of Take-up Background & Methodology Report that will be published on 15 November 2018.

If you have any queries on these changes please send them to:

IRB.TAKEUP@DWP.GSI.GOV.UK

Background

1. DWP uses a complex methodology to measure the take-up of income-related benefits. Read [more information on the methodology used](#).
2. It has not been possible to estimate entitlement to JSA at levels of accuracy appropriate for Official Statistics. There are difficulties in our approach in assessing whether an individual who is not claiming benefits would be entitled to JSA or UC, as at this point in the rollout schedule these benefits currently have a substantial overlap in the groups they are aimed at. Potential options were explored but no solution was found to produce reliable, robust estimates.
3. The FRS tested a new approach to obtaining consent to link respondents' data to administrative data from January 2017 to April 2017. The new approach tested replaces an explicit Yes/No question in the FRS questionnaire with an up-front statement that DWP will link respondents' information to administrative records held by the Department. A randomised control trial was run from January to April 2017, with the FRS sample split 50:50 between those receiving the new enhanced fair processing statement and the existing explicit data linking question. This change means that the number of cases available for data linking has increased in 2016/17. The take-up methodology already uses linked survey-administrative data to improve the quality of the estimates by replacing survey responses, which are subject to reporting error, with accurate administrative data on benefit receipt. Therefore, this methodological change means that more administrative data can be used in the production of the estimates, improving their accuracy. An increased amount of linked data will correct the number of entitled non-recipients for a benefit where benefit underreporting has occurred in the FRS. This would have an effect on the mean/median amounts unclaimed. The actual effect on the take-up estimates will depend on the observed data for each survey year.
4. Full-time students are not entitled to certain benefits so they should not appear in the entitled non-recipients group. In previous years full-time students were only removed from this group for JSA. These students were removed in the calculation of entitlement using the employment status in the survey response to identify if they were a student. Some full-time students had previously been classified as entitled non-recipients as they were also reported as being unemployed or in part-time employment in the survey. The new, amended method also checks if an individual has reported that they are in full-time education on the FRS and considers the exemptions for full-time students before deciding if they are classified as not entitled to the benefit. This improvement has been applied to all applicable benefits and a revised back series has been produced for this specific change.
5. The basic State Pension value used for pensions uprating in the PSM in the 2015/16 publication had not been updated and was therefore out-of-date. The uprating methodology in the PSM has now been updated correctly.

Effect

6. As JSA estimates are not reliable they have been removed from the publication.
7. Increases in the number of people consenting to data linking has enabled us to link more of the FRS with administrative data. This allows us to provide more accurate estimates. In previous years the percentage of the overall FRS dataset that was matched was between 51-53%. In 2016/17 59% of records were matched. This will have an effect on the take-up estimates produced, which varies across benefits. Therefore, this might affect comparisons with previous year's results.
8. Changes to the student methodology reduces the number of entitled non-recipients; this increases the estimated take-up rate by no more than 2 percentage points.
9. The correction to the pensions uprating methodology had a marginal impact on the number of Pension Credit (PC) and Housing Benefit Entitled Non-Recipients (HB ENRs) for 2015/16 and their mean amounts unclaimed.