



Department
for Work &
Pensions

Benefit Cap – households capped and off flows, data to January 2014, GB

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Introduction

Background

The Government has introduced a cap on the total amount of benefit that working-age households can receive so that, broadly, households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage for working households. If affected, a household's Housing Benefit entitlement will be reduced so that the total amount of benefit received is no longer higher than the cap level.

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

The cap applies to the combined income from benefits including:

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

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

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

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

The exemption is also extended to households which include a member who is in receipt of War Widow's and War Widower's Pension. This is in line with the

Benefit Cap – number of households capped, data to January 2014, GB

Government's commitment to offer special treatment to those who are serving or who have served in the Armed Forces, and to their dependants, in order to avoid disadvantage and recognise sacrifice for those seriously injured or killed.

The cap only applies to household in which at least one person is in receipt of a working age benefit.

Methodology

Data Source

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

Off flow data is merged to Her Majesty's Revenue and Customs (HMRC) and DWP benefits data to determine outcomes, for further details refer to Annex B.

Data coverage and reporting month

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

This release shows the latest set of capped households in Great Britain reflecting national implementation of the benefit cap. The "January" data shown here has typically been collated between 6th January and 30th January. Each Local Authority may extract their data up to a week before the date it is scheduled to be returned to DWP.

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

Definition of a household

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

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

Identification of capped households

Over time, households will be both newly capped – and will cease to be capped (for a variety of reasons). The data in the Results section shows both **snapshot** (the number of households subject to the cap at the latest month available) and **cumulative** (the number of capped households since the introduction of the benefit cap). The difference between these two figures relates to households flowing off the cap. This relates purely to households no longer subject to the benefit cap. These Official Statistics may also not report on very short term capped households. This will occur in instances where a household is capped and then ceases to be capped all within the space of monthly SHBE returns. In any such cases, the recorded SHBE data will not flag that a household has been capped.

Benefit cap off flows by outcome

Households may flow on and off the cap numerous times as circumstances change. Two measures of benefit cap off flows are presented in this release:

- 1) The number of households moving off the cap and remain no longer capped (as at reporting month).
- 2) The cumulative month on month count of households moving off the cap (including some households who are capped again).

There may be multiple reasons for the cap to no longer apply (and these may change over time). Thus, to avoid multiple counts a hierarchical approach to the household outcome is used for reporting:

1. Household has an open Working Tax Credit claim.
2. Household is in receipt of other benefit resulting in exemption (Employment Support Allowance support group / Disability Living Allowance / Industrial Injuries / Personal Independent Payment).
3. Household is no longer claiming housing benefit.
4. Amount of Housing Benefit claimed has reduced.
5. Household benefit income below cap level without a change to Housing Benefit amount.
6. Change in original household structure (i.e. change, addition or loss of a partner – does not include dependents).
7. Change in recorded Local Authority.
8. Other – includes grace period, operational factors / timing, no longer working age.

Note - Not all outcomes reported on are a specific reason for a household to flow off the benefit cap, for example a change in Local Authority, but may indicate a change in circumstance leading to an off flow. There may also be instances where, for example, a household moves into employment, but does not have an open Working Tax Credit claim.

For further details on the methodology and limitations in reporting on benefit cap outcomes, see Appendix B.

Results

Key findings – GB

Cumulative measures

Since the introduction of the benefit cap on 15th April 2013 to January 2014:

- **Over 38.6 thousand households had their housing benefit capped.**
- 47% of households affected by benefit cap were found in London.
- Of the top 20 Local Authorities with the highest number of households affected by the benefit cap, only 1 was outside London - Birmingham.

Snapshot measures

Of data extracted in January¹ 2014:

- **Over 27.7 thousand households had their housing benefit capped, a decrease of 700 capped households (2%) on December 2013.**
- 60% of households had between 1 and 4 children and 36% had 5 or more children.
- 59% of households constituted a single parent with child dependants.
- 78% of households were capped by £100 or less.

Off-flow measures

Since the introduction of the benefit cap on 15th April 2013 to January 2014:

- Just over 10.9 thousand households (28%) who have (previously) been capped are no longer subject to the cap as at January 2014. **Of these, over 4.2 thousand are exempt with an open Working Tax Credit claim which is 39% of those no longer subject to the cap.**
- Just over 11.9 thousand households have had a spell off the cap between April 2013 and January 2014. This includes cases not capped as at January 2014 and cases who have been capped, left the cap and then been capped again. Of these 36% have had a recorded Working Tax Credit claim in that period.

¹ See methodology – Data coverage and reporting month.

Section 1- Cumulative total number of households capped from 15 April 2013 and January 2014

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

Note: A full Local Authority breakdown of GB capped households is available in the accompanying spreadsheet to this publication, called Number of GB households capped since the introduction of benefit cap by Local Authority- up to January 2014.

Table 1.1- GB and regional by households capped

	Total
Cumulative total	38,665
North East	962
North West	2,693
Yorkshire and The Humber	1,975
East Midlands	1,487
West Midlands	2,843
East of England	2,465
London	18,152
South East	3,907
South West	1,580
Wales	1,118
Scotland	1,476

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

Notes

1. *Cells in this table have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.*
2. *Geographical region is based on the initial Local Authority in which the lead individual was subject to the cap.*

Table 1.2- Top 20 Local Authorities by households capped

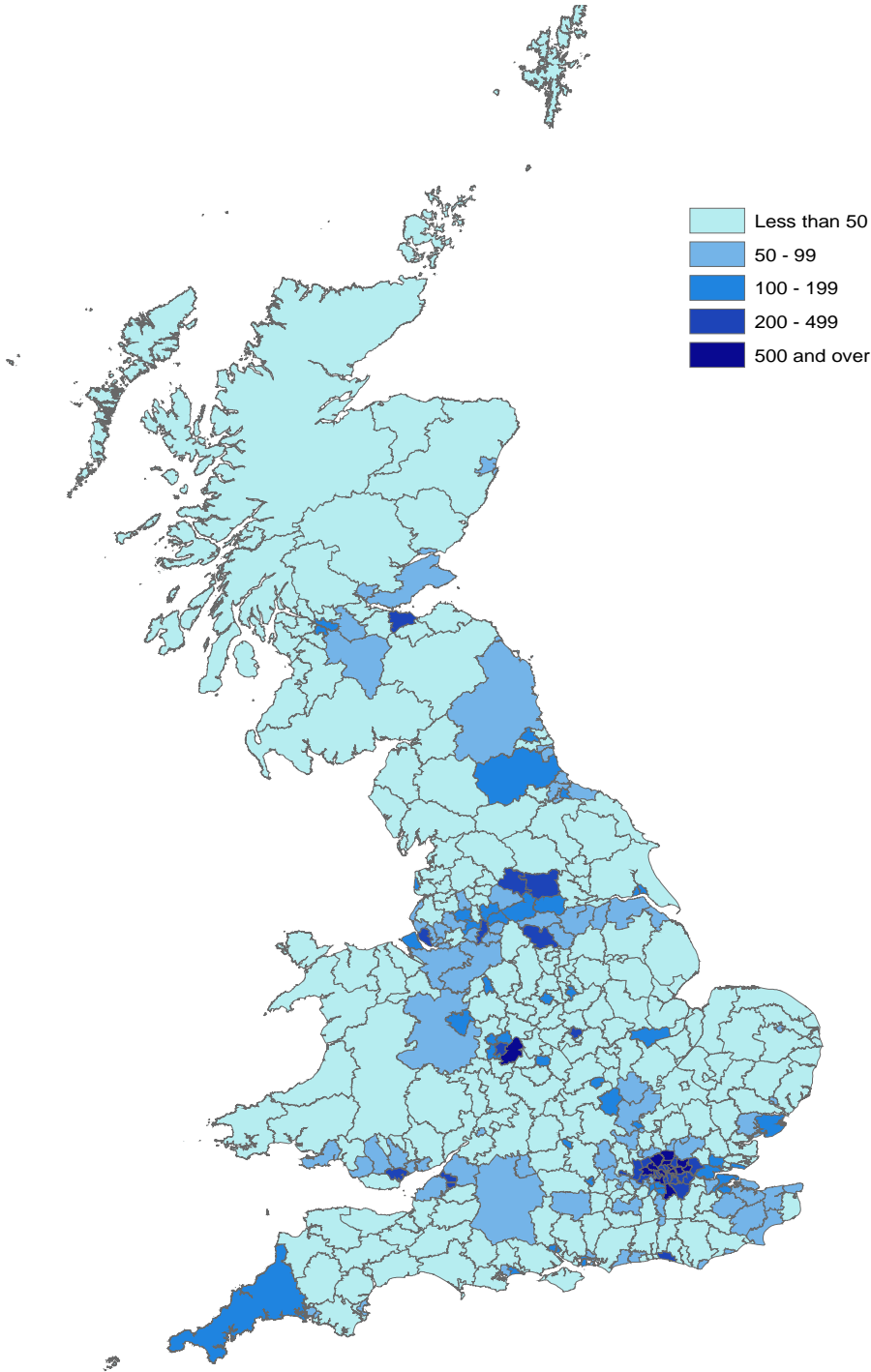
Local Authority	Total
Enfield	1,706
Brent	1,485
Ealing	1,112
Birmingham	1,024
Westminster	1,015
Tower Hamlets	1,001
Haringey	994
Newham	785
Croydon	771
Barnet	695
Hackney	624
Wandsworth	595
Redbridge	552
Barking and Dagenham	541
Waltham Forest	495
Hammersmith and Fulham	479
Lewisham	475
Harrow	470
Kensington and Chelsea	423
Islington	421

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

Notes

1. *Cells in this table have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.*
2. *Geographical region is based on the initial Local Authority in which the lead individual was subject to the cap.*

Figure 1.1- Map showing cumulative total of households with housing benefit capped at Local Authority level



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

Notes

- 1. Counts have been randomly adjusted to avoid the release of confidential data.
- 2. Geographical region is based on the initial Local Authority in which the lead individual was subject to the cap.

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

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

Table 2.1 – Caseload time series- May 2013 to January 2014

Month	Total
May 2013	396
June 2013	2,432 ²
July 2013	2,755
August 2013	7,843
September 2013	18,024
October 2013	25,508
November 2013	27,352
December 2013 ³	28,434
January 2014	27,743

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

Notes

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

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

³ See methodology – Data coverage and reporting month.

Table 2.2- Number of households capped as at January⁴ 2014

		Total, GB
Number of capped households		27,743
Amount Capped (£ per week)	Up to £50	14,150
	£50.01 to £100	7,573
	£100.01 to £150	3,462
	£150.01 to £200	1,344
	£200.01 to £250	582
	£250.01 to £300	317
	£300.01 to £350	174
	£350.01 to £400	80
	£400.01 and above	59
Number of children	0	1,268
	1	1,019
	2	2,962
	3	5,639
	4	6,921
	5 and above	9,937
Household type	Single, no child dependant	1,230
	Single, with child dependant(s)	16,322
	Couple, no child dependant	37
	Couple, with child dependant(s)	10,152

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

Notes

0 denotes a nil or negligible number of households.

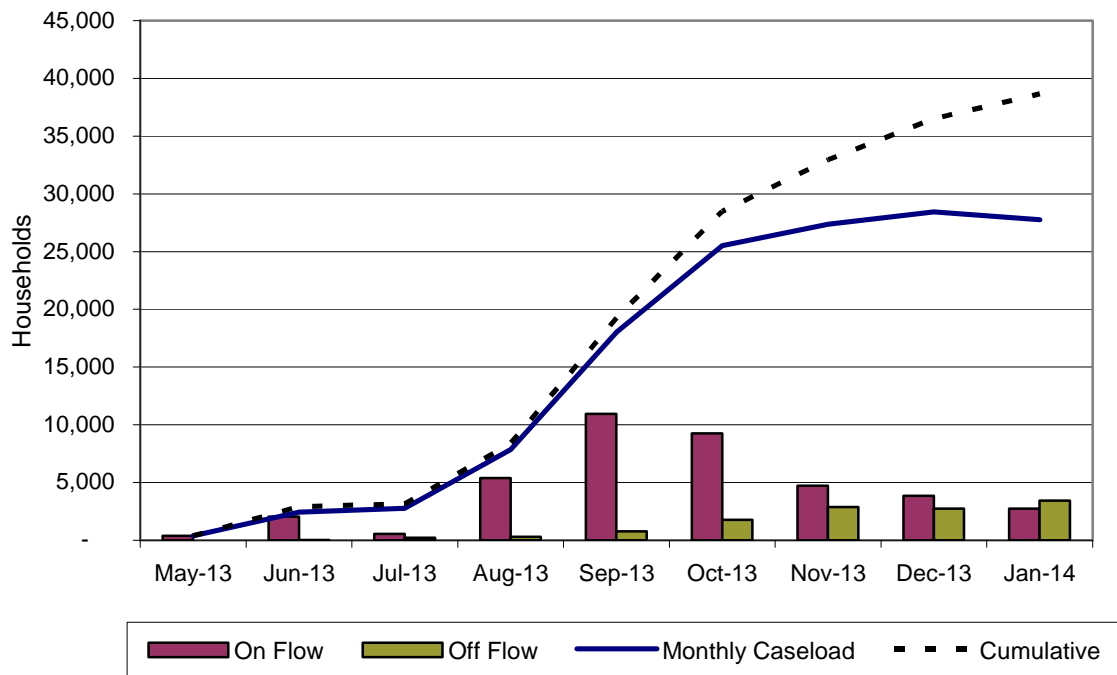
1. Cells in this table have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

⁴See methodology – Data coverage and reporting month.

Section 3 – Benefit cap off flows by outcome

Households may flow on and off the cap multiple times as circumstances within that household change. The following chart (3.1) shows the number of households flowing on and off the cap between months. Households may be counted more than once in each category if they flow on / off then potentially back on the cap.

Chart 3.1- Month on month benefit cap on / off flows, households:



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

Benefit Cap – number of households capped, data to January 2014, GB

Table 3.1 shows households who have (previously) been capped that are no longer subject to the cap as per the latest reporting month. For reporting purposes, as households circumstances are subject to change, the outcome group reflects the latest reason at the point of reporting. A household may be exempt initially due to Working Tax Credit but as time passes move off Working Tax Credit and still remain off the cap.

NOTE: Outcome Group is hierarchically based. There may be a number of reasons why a household is no longer capped, for example moving to a cheaper area in a different LA that also reduces the HB amount, only the top-most reason for which they are eligible is counted.

Table 3.1 – Households no longer subject to the cap as at January 2014:

Outcome Group	Total, GB	
Total households no longer capped in January 2014	10,920	
1. Household has an open Working Tax Credit claim.	4,250	39%
2. Household is in receipt of other benefit resulting in exemption (Employment Support Allowance support group / Disability Living Allowance / Industrial Injuries / Personal Independent Payment).	830	8%
3. Household no longer claiming housing benefit.	1,370	13%
4. Amount of Housing Benefit claimed has reduced.	1,480	14%
5. Household benefit income below cap level without a change to Housing Benefit amount.	1,430	13%
6. Change in original household structure (i.e. change, addition or loss of a partner).	130	1%
7. Change in recorded Local Authority.	200	2%
8. Other – includes grace period, operational factors / timing, no longer working age	1,240	11%

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE), WTC and 100% DWP GMS benefit scans

Notes

0 denotes a nil or negligible number of households.

1. Cells in this table have been rounded to the nearest ten.

2. Outcome group reflects latest hierarchical reason at point of reporting

Table 3.2a – Households no longer subject to the cap as at January 2014 by household outcome and Region:

	Total	Working Tax Credit claim	Other Exemption	Household no longer claiming housing benefit	Reduction in Housing Benefit	Household benefit income below cap level	Change in household structure	Change in recorded Local Authority	Other
Total	10,920	4,250	830	1,370	1,480	1,430	130	200	1,240
North East	250	80	20	30	30	50	10	0	30
North West	820	200	80	90	160	150	10	20	120
Yorkshire and The Humber	570	180	30	50	120	100	10	10	70
East Midlands	400	150	40	50	20	70	0	10	60
West Midlands	700	260	40	130	40	120	10	10	80
East of England	700	250	60	90	70	120	10	20	90
London	4,960	2,370	290	590	680	460	40	90	440
South East	1,240	440	130	130	140	190	10	20	180
South West	430	160	40	60	30	70	10	10	60
Scotland	540	80	50	110	170	50	10	10	60
Wales	310	80	40	40	30	50	10	10	50

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE), WTC and 100% DWP GMS benefit scans

Notes

1. Cells in this table have been rounded to the nearest ten.

2. Outcome group reflects latest hierarchical reason at point of reporting (Region reflects location when first subject to the cap.)

Benefit Cap – number of households capped, data to January 2014, GB

Table 3.2b – Percentage of households no longer subject to the cap as at January 2014 by household outcome and Region:

	Working Tax Credit claim	Other Exemption	Household no longer claiming housing benefit	Reduction in Housing Benefit	Household benefit income below cap level	Change in household structure	Change in recorded Local Authority	Other	Percentage of capped households no longer capped
Total	39%	8%	13%	14%	13%	1%	2%	11%	28%
North East	32%	8%	12%	12%	20%	4%	0%	12%	26%
North West	24%	10%	11%	20%	18%	1%	2%	15%	30%
Yorkshire and The Humber	32%	5%	9%	21%	18%	2%	2%	12%	29%
East Midlands	38%	10%	13%	5%	18%	0%	3%	15%	27%
West Midlands	37%	6%	19%	6%	17%	1%	1%	11%	25%
East of England	36%	9%	13%	10%	17%	1%	3%	13%	28%
London	48%	6%	12%	14%	9%	1%	2%	9%	27%
South East	35%	10%	10%	11%	15%	1%	2%	15%	32%
South West	37%	9%	14%	7%	16%	2%	2%	14%	27%
Scotland	15%	9%	20%	31%	9%	2%	2%	11%	37%
Wales	26%	13%	13%	10%	16%	3%	3%	16%	28%

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE), WTC and 100% DWP GMS benefit scans

Notes

1. Percentages based on rounded data, care should be taken when using percentages based on small counts.
2. Outcome group reflects latest hierarchical reason at point of reporting (Region reflects location when first subject to the cap).
3. Percentage of capped households no longer capped derived from cumulative number of households capped (Page 7).

Table 3.3 shows the cumulative number of households having a spell off the benefit cap by off flow group. Some households may have subsequently moved back on to the cap.

NOTE: Outcome Group is hierarchically based. For those households having multiple spells off the cap, only the top-most one for which they are eligible is counted.

Table 3.3 – Cumulative count of household off flows, May 2013 to January 2014 by household outcome:

Outcome Group	Total, GB	
Total Off flows (all households with a spell off the cap)	11,950	
1. Household has an open Working Tax Credit claim at time of off flow.	4,300	36%
2. Household is in receipt of other benefit resulting in exemption (Employment Support Allowance support group / Disability Living Allowance / Industrial Injuries / Personal Independent Payment).	770	6%
3. Household no longer claiming housing benefit.	1,820	15%
4. Amount of Housing Benefit claimed has reduced.	1,520	13%
5. Household benefit income below cap level without a change to Housing Benefit amount.	1,570	13%
6. Change in original household structure (i.e. change, addition or loss of a partner).	100	1%
7. Change in recorded Local Authority.	180	2%
8. Other – includes grace period, operational factors / timing, no longer working age	1,690	14%

Source: DWP IGS Directorate 100% Single Housing Benefit Extract (SHBE), WTC and 100% DWP GMS benefit scans

Notes

0 denotes a nil or negligible number of households.

1. Cells in this table have been rounded to the nearest ten.

2. Outcome Group is hierarchically based. For those households having multiple spells off the cap, only the top-most one for which they are eligible is counted.

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

Reporting month	Earliest Local Authority scheduled return	Latest Local Authority scheduled return
May 2013	7 th May 2013	30 th May 2013
June 2013	3 rd June 2013	27 th June 2013
July 2013	1 st July 2013	25 th July 2013
August 2013	29 th July 2013	22 nd August 2013
September 2013	2 nd September 2013	26 th September 2013
October 2013	30 th September 2013	24 th October 2013
November 2013	28 th October 2013	21 st November 2013
December 2013	18 th November 2013	19 th December 2013
January 2014	6 th January 2014	30 th January 2014

Notes:

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

Annex B: Benefit cap outcomes, methodology and limitations

The Benefit Cap outcomes show that to January 2014, 39% of previously capped households have found work as indicated by an open Working Tax Credit claim (over 4 thousand households).

Previously published Management Information showed that during the period April 2013 to November 2013, Jobcentre Plus helped around 19,000 individual claimants identified as living in potentially capped households into work. As the new outcomes measure is based on capped households and the MI relates to a cumulative count of potentially capped individuals and there is some overlap between them, the two totals cannot be combined.

The following points should be noted:

Benefit Cap – number of households capped, data to January 2014, GB

- There is no single source of outcome / reason for households to flow off the cap. Latest 100% DWP benefit scans, weekly HMRC tax credit data and SHBE extract are used to determine most appropriate household benefits status.
- An open Working Tax Credit claim is a proxy for movements into work. This is not a comprehensive measure of moves into work; some individuals may go into work but not be eligible to claim Working Tax Credit if their earnings are too high or the hours worked do not meet the claim requirements.
- The results will be subject to retrospection as Working Tax Credit spells are recorded. It is possible that Working Tax Credit claims could be back dated.
- Due to churn in flows on / off cap, the number of off flows (Table 3.1) could fall from 1 month to the next if households move back onto the cap.
- The proportion of off-flows with a Working Tax Credit exemption will change over time.
- Some of the lower category outcomes are not specifically a reason in themselves to come off the cap but are a measurable change in circumstance.

Contact points for further information

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