

# Benefit cap – number of households capped across phased area Local Authorities data to July 2013

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# 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 will apply the cap between 15 July 2013 and the end of September. As such all households identified as being appropriate to be capped will be capped by the end of September 2013. The benefit cap is currently administered through Housing Benefit, and as such a household which is not in receipt of Housing Benefit will not currently be in scope for the cap.

The cap applies to the combined income from benefits including:

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

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

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

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

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

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

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

## Methodology

### Data Source

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

### Definition of a household

For the purposes of 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 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.

### 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 capped households at a point in time) 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.

# Results

## Key findings

Since the introduction of the benefit cap on 15<sup>th</sup> April 2013 to the end of July 2013:

- Across the 4 phased area LAs, almost 3.2 thousand households in total had their housing benefit capped.
- 6% of households were in Bromley, 20% in Croydon, 47% in Enfield and 26% in Haringey.

At the end of July 2013:

- Across the 4 phased area LAs, almost 2.7 thousand households had their housing benefit capped.
- 7% of households were in Bromley, 20% in Croydon, 46% in Enfield and 27% in Haringey.
- 85% of households had between 1 and 4 children,
- 74% of households constituted a single parent with child dependents.
- 71% of households were capped by £100 or less.

## Section 1- Cumulative total number of households capped

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 would not be counted as an additional benefit cap case where the lead claimant remains the same.

A household under the cap moving into a different Local Authority (and still subject to the cap) would be reflected in the appropriate Local Authorities count as at that time point but not as an additional case to the cumulative count.

**Table 1.1- Cumulative total number of households with housing benefit capped since the introduction of the benefit cap on 15 April 2013 and the end of July 2013 in each Local Authority**

|                         | Local Authority |         |         |          | Total |
|-------------------------|-----------------|---------|---------|----------|-------|
|                         | Bromley         | Croydon | Enfield | Haringey |       |
| <b>Cumulative total</b> | 201             | 632     | 1,497   | 831      | 3,155 |

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

### Notes

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

## Section 2- Households capped at a point in time

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

**Table 2.1 – Caseload time series- households capped April 2013 to July 2013**

| Month      | Local Authority |         |         |          | Total |
|------------|-----------------|---------|---------|----------|-------|
|            | Bromley         | Croydon | Enfield | Haringey |       |
| April 2013 | 60              | 78      | 157     | 102      | 396   |
| May 2013   | 149             | 479     | 1,168   | 639      | 2,432 |
| June 2013  | 177             | 523     | 1,255   | 702      | 2,658 |
| July 2013  | 179             | 532     | 1,221   | 708      | 2,642 |

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.

**Table 2.2- Number of households capped in each Local Authority as at end of July 2013**

|                             | Local Authority                 |         |         |          | Total |       |
|-----------------------------|---------------------------------|---------|---------|----------|-------|-------|
|                             | Bromley                         | Croydon | Enfield | Haringey |       |       |
| Number of capped households | 179                             | 532     | 1,221   | 708      | 2,642 |       |
| Amount Capped (£ per week)  | Up to £50                       | 104     | 269     | 465      | 267   | 1,104 |
|                             | £50.01 to £100                  | 44      | 113     | 417      | 195   | 770   |
|                             | £100.01 to £150                 | 16      | 76      | 152      | 101   | 348   |
|                             | £150.01 to £200                 | 6       | 40      | 104      | 59    | 207   |
|                             | £200.01 to £250                 | 0       | 18      | 48       | 49    | 114   |
|                             | £250.01 to £300                 | 7       | 8       | 14       | 22    | 45    |
|                             | £300.01 to £350                 | 0       | 6       | 11       | 11    | 27    |
|                             | £350.01 to £400                 | 0       | 0       | 6        | 9     | 17    |
|                             | £400.01 and above               | 0       | 0       | 0        | 0     | 0     |
|                             | Number of children              | 0       | 0       | 6        | 20    | 45    |
| 1                           |                                 | 5       | 8       | 54       | 43    | 112   |
| 2                           |                                 | 22      | 39      | 302      | 161   | 522   |
| 3                           |                                 | 69      | 232     | 544      | 248   | 1,097 |
| 4                           |                                 | 57      | 147     | 193      | 124   | 522   |
| 5 and above                 |                                 | 26      | 95      | 103      | 84    | 315   |
| Household type              | Single, no child dependent      | 0       | 6       | 13       | 42    | 64    |
|                             | Single, with child dependent(s) | 119     | 404     | 932      | 500   | 1,962 |
|                             | Couple, no child dependent      | 0       | 0       | 5        | 6     | 7     |
|                             | Couple, with child dependent(s) | 57      | 117     | 269      | 164   | 606   |

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

**Notes**

0 denotes a nil or negligible number of households.

1. Extract date for Bromley and Enfield was 24<sup>th</sup> of July, Croydon and Haringey the 25<sup>th</sup> of July.

2. 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.

**Contact points for further information:**

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

Media Enquiries: 0203 267 5129

Out of hours: 0203 267 5144

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

Follow us on Twitter: [www.twitter.com/dwppressoffice](http://www.twitter.com/dwppressoffice)

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DWP Information, Governance & Security Directorate - Client Statistics Division

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

Other National Statistics publications, and general information about the official statistics system of the UK, are available from [www.statistics.gov.uk](http://www.statistics.gov.uk)