Income Related Benefits: Estimates of Take-up in 2009-10

February 2012

DWP Department for Work and Pensions

Executive summary

This publication contains information on the take-up of the main income-related benefits in Great Britain for the financial year 2009-10: Income Support and Employment and Support Allowance (Income-Related), Pension Credit, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (Income-Based).

The last edition covered take-up in 2007-08 and 2008-09 and was published in June 2010[1]. The approach to modelling income related benefit entitlement for Family Resources Survey (FRS) respondents has been improved for this publication. Figures for the financial years 2007-08 and 2008-09 have been revised using the new approach and should take precedence over previously published results, full details can be found in Chapter 7.

Taking all six income-related benefits together, there was between £7.52 billion and £12.31 billion left unclaimed in 2009-10; this compared to £40.56 billion that was claimed and represents take-up by expenditure of between about 77 per cent and 84 per cent.

In 2008-09, there was between £6.44 billion and £11.77 billion left unclaimed; this compared to £37.77 billion that was claimed and represented take-up by expenditure of between about 76 per cent and 85 per cent.

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[1] *Income Related Benefits Estimates of Take-Up in 2008-09*, (2010) DWP The report can be found at: http://research.dwp.gov.uk/asd/income_analysis/index.php?page=publications

Key results for 2009-10

Income Support & Employment and Support Allowance

Take-up between 77 per cent and 89 per cent by caseload, compared with between 80 per cent and 91 per cent in 2008-09.

Take-up between 82 per cent and 92 per cent by expenditure, compared with between 85 per cent and 94 per cent in 2008-09.

Pension Credit

Take-up between 62 per cent and 68 per cent by caseload, compared with between 63 per cent and 74 per cent in 2008-09.

Take-up between 73 per cent and 80 per cent by expenditure, compared with between 72 per cent and 82 per cent in 2008-09.

Housing Benefit

Take-up between 78 per cent and 84 per cent by caseload, compared with between 77 per cent and 85 per cent in 2008-09.

Take-up between 84 per cent and 90 per cent by expenditure, compared with between 83 per cent and 90 per cent in 2008-09.

Council Tax Benefit

Take-up between 62 per cent and 69 per cent by caseload, compared with between 64 per cent and 71 per cent in 2008-09.

Take-up between 64 per cent and 71 per cent by expenditure, compared with between 66 per cent and 74 per cent in 2008-09.

Jobseeker's Allowance (Income-Based)

Take-up between 60 per cent and 67 per cent by caseload, compared with between 49 per cent and 59 per cent in 2008-09.

Take-up between 61 per cent and 70 per cent by expenditure, compared with between 49 per cent and 62 per cent in 2008-09.

Contents

1 Introduction

1.1 Background

Take-up is measured in two ways - by caseload and by expenditure:

- Caseload take-up compares the number of benefit recipients, averaged over the year, with the number who would be receiving if everyone took up their entitlement for the full period of their entitlement.
- Expenditure take-up compares the total amount of benefit received, in the course of a year, with the total amount that would be received if everyone took up their entitlement for the full period of their entitlement.

Take-up estimates are presented as ranges within which it can be assumed true take-up lies. These robust 'ranges of true take-up' account for possible biases that arise in estimating take-up from the available data sources. These ranges also account for the effects of sampling variation (otherwise known as sampling error).

Where sample sizes and data sources allow, take-up statistics are broken down to enable comparisons by a number of groups such as family and tenure type.

Care should be taken when interpreting take-up statistics. For instance, if the upper limit of a caseload take-up range is 90 per cent, this does not necessarily mean that at least 10 per cent of the entitled population never take-up their entitlement. This is because some of the shortfall in take-up may represent a delay in claiming benefit that is eventually received.

Figures in this publication are based upon DWP and Local Authority administrative data and data from the Family Resources Survey (FRS) 2009-10[2]. The FRS is a continuous survey of around 25,000 UK households (23,000 households in Great Britain), which asks a wide range of questions about their family, social and economic circumstances.

1.2 Changes to the modelling that underpins Income Related Benefits: Estimates of Take-Up

The approach to modelling income related benefit entitlement for Family Resources Survey respondents has been improved for this publication. As a result of this improvement the figures for 2007-08 and 2008-09 have been revised. It is these revised statistics that are used in this publication and should take precedence over previously published results.

[2] *Family Resources Survey 2009-10*, (2011) DWP The report can be found at: http://research.dwp.gov.uk/asd/frs/

Full details of the modelling improvement and impact of the change can be found in Chapter 7. The figures in this section show that the quantitative impact of this technical change is small, with the majority of the headline upper and lower take-up ranges varying by only 1 or 2 percentage points.

1.3 UK Statistics Authority Assessment 2011

In the latter half of 2011, as part of its statutory power to assess sets of statistics against the Code of Practice for Official Statistics, the UK Statistics Authority conducted a review of several associated statistical products produced by DWP, which included Income Related Benefits: Estimates of Take-up.

The report concluded that the statistical products assessed, including Income Related Benefits: Estimates of Take-up, were readily accessible, produced according to sound methods and managed impartially and objectively in the public interest. As such they could continue to be designated as National Statistics, subject to the implementation of four requirements raised in the report. Work to meet these requirements is being taken forward in line with UK Statistics Authority deadlines.

The assessment report published in December 2011 can be found at: http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-161---statistics-on-household-resources.pdf

1.4 National Statistics Quality Review 2003

In the summer of 2003, DWP launched a National Statistics Quality Review of statistics on the take-up of income-related benefits, aimed at establishing whether the report continues to meet the needs of users. It considered user needs along with priorities for the development of the series. The conclusions of the review were published in October 2006 and can be found at: http://research.dwp.gov.uk/asd/index.php?page=irb

1.5 Online Access

This report is available on the internet at: http://research.dwp.gov.uk/asd/index.php?page=irb. PDF versions of each chapter are available to download, along with Microsoft Excel versions of the tables in each chapter.

1.6 Structure of the report

This publication is divided into five main chapters, an introduction, a description of the methodology and a technical appendix.

- Chapter 1 - Introduction - provides:
    - background on the estimates
    - a guide to published tables and results
    - a guide to uses of the statistics
    - definitions
- Chapters 2 to 6 - Benefits - provide:
    - full results covering caseload and expenditure take-up of all income-related benefits
    - a summary of key results and a brief description of the benefit
    - a guide to the tables presented and any particularly important technical considerations where appropriate
    - an analysis of the characteristics of those entitled to but not receiving benefits
    - a section on trends in take-up over time
- Chapter 7 - Revisions - provides:
    - a summary of changes as a result of modelling improvements
- Chapter 8 - Methods and Sources - provides:
    - an overview of the methodology
    - the data sources used
- Chapter 9 - Appendix - provides:
    - a detailed description of how ranges of take-up have been calculated

1.7 Coverage

As with previous publications, estimates of take-up only cover people in private households, since the Family Resources Survey (FRS) includes only those people residing in private households. In practice this means these take-up estimates omit people living in Residential Care or Nursing Homes and some other, mostly small, groups. In addition, because the FRS does not contain sufficient information on the incomes of the self-employed to allow reliable assessment of benefit entitlement, the estimates also exclude the full-time self-employed.

1.8 A quick guide to published tables and results

There are two basic types of table presented in this publication – one that contains statistics related to the caseload measure of take-up and a second that contains statistics related to the expenditure measure. The following illustrations are intended as a guide to interpreting the tables that are found in the third section of each benefit chapter.

1.8.1 Understanding tables presenting caseload take-up statistics

Shows the average number of recipients across the year (in private households) based on DWP administrative sources.

Refer across columns to compare statistics for different family groupings.

Example: An average of 210,000 benefit units in the family group 'Single females without children' were receiving Jobseeker's Allowance (Income-Based) in 2009-10.

6.3.1 Table of caseload take-up of Jobseeker's Allowance (Income-Based) by family type

	Year	Couples with Children	Single Males without Children	Single Females without Children	All
					(Thousands)
Number of Recipients	2008-09	60	420	150	630
	2009-10	90	610	210	910
Range of Entitled Non-Recipients	2008-09	10 : 30	300 : 470	120 : 180	440 : 660
	2009-10	0 : 30	280 : 400	140 : 200	440 : 610
					(Percentages)
Take-Up Ranges	2008-09	70 : 89	47 : 58	46 : 57	49 : 59
	2009-10	74 : 96	61 : 68	52 : 61	60 : 67

Shows estimated take-up percentages.

Shows the estimate of people who were not claiming the Jobseeker's Allowance (Income-Based) to which they were entitled based on Family Resources Survey data.

Example: In 2009-10 between 280,000 and 400,000 'Single males without children' were not claiming the Jobseeker's Allowance (Income-Based) to which they were entitled. This was equivalent to take-up of between 61 per cent and 68 per cent.

1.8.2 Understanding tables presenting expenditure take-up statistics

Shows the average weekly amount of benefit actually received (by those in private households) based on DWP administrative records.

Averages are used to present a picture of what the 'typical' unclaimed amount is. Mean (average) amounts unclaimed alone may present a distorted picture of the 'typical' amount where they are inflated by small or very large values. Presenting the median alongside the mean in this way helps present a more balanced picture of the 'typical' amount unclaimed. These values are based on Family Resources Survey data.

Refer across columns to compare statistics for different family groupings.

6.3.2 Table of expenditure take-up of Jobseeker's Allowance (Income-Based) by family type

	Year	Couples with Children	Single Males without Children	Single Females without Children	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	91	56	54	59
	2009-10	98	61	58	64
Average Weekly Amounts Unclaimed	2008-09	84	53	50	55
	2009-10	85	56	53	59
Median Weekly Amounts Unclaimed	2008-09	93	48	48	48
	2009-10	95	51	51	51
					(Millions of Pounds)
Total Amount Claimed	2008-09	300	1,220	430	1,950
	2009-10	440	1,930	640	3,010
Total Range Unclaimed	2008-09	30 : 140	790 : 1,380	270 : 520	1,200 : 2,010
	2009-10	10 : 160	780 : 1,230	350 : 590	1,280 : 1,950
					(Percentages)
Take-Up Ranges	2008-09	68 : 92	47 : 61	45 : 61	49 : 62
	2009-10	74 : 97	61 : 71	52 : 65	61 : 70

Shows estimated take-up percentages.

Shows the total amount of Jobseeker's Allowance (Income-Based) estimated to have been left unclaimed, based on Family Resources Survey data.

This shows the total amount of Jobseeker's Allowance (Income-Based) received (by those in private households) over the course of the year based on DWP administrative records.

1.8.3 Conventions used in the tables

- Average amounts are rounded to the nearest pound.
- Amounts claimed and unclaimed are rounded to the nearest £10 million.
- Caseload figures are rounded to the nearest 10,000.
- Take-up percentages are rounded to the nearest percentage point.
- Totals may not equal the sum of their parts due to rounding.
- Full-time self-employed cases are excluded from all results.
- Those not living in private households are excluded from all results.

1.8.4 Main results

Readers will find that the third section of each chapter contains main tables of results that are relevant to each benefit regarding expenditure and caseload take-up.

Components do not always sum to totals in the tables because 95 per cent confidence intervals have been calculated separately for components and totals in order to take account of sampling error. Take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of bias on the baseline figures. Where ranges are wide uncertainties due to biases, as opposed to sampling error, are the major factor. Chapters 8 and 9 provide more details on how the effects of the different biases are assessed.

In addition this section also presents within year charts allowing comparisons between the different demographic splits for which estimates of take-up are derived.

1.8.5 Further analysis

The 'Further Analysis' section, the fourth of each benefit chapter, provides a comparison of the characteristics of Entitled Non-Recipients with those of Entitled Recipients and, in doing so, explores some of the possible reasons for non-take-up.

1.8.6 Below 60 per cent of contemporary median income

An additional table in the 'Further Analysis' section gives an indication of what proportion of Entitled Non-Recipients and Entitled Recipients of each benefit in Great Britain had incomes below 60 per cent of contemporary median income; this is a commonly used indicator of low-income.

The 'Households Below Average Income' (HBAI) report[3] uses household disposable incomes, after adjusting for the household size and composition, a process known as equivalisation, as a proxy for material living standards. More precisely, it is a proxy for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

This section in the further analysis tables compares those in Great Britain on the take-up dataset against the equivalised UK median based on the HBAI dataset.

[3] *Households Below Average Income 2009-10* (DWP) 2011 The report can be found at: http://research.dwp.gov.uk/asd/index.php?page=hbai

Take-up estimates are presented for the population in Great Britain, but the definition of 'low income' has used the UK median to be consistent with low-income estimates published in the HBAI report. Previous analysis has shown that the inclusion of Northern Ireland produces estimates that are virtually indistinguishable whether using GB or UK medians. Figures are calculated both Before Housing Costs (BHC) and After Housing Costs (AHC) are deducted from income for 2008-09 and 2009-10.

1.8.7 Trends in take-up over time

This section, the final section of each benefit chapter, focuses on caseload take-up of the different benefits over time. Comparing take-up across a timeseries is not straightforward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be certain of the extent or effects of changes.

Comparisons over time are complicated further this year: As highlighted in section 1.2, and detailed in Chapter 7, the approach to modelling income related benefit entitlement for Family Resources Survey respondents has been improved for this publication and figures have been revised for 2007-08 and 2008-09 to reflect this methodological change. As a result, the changes may differ from conclusions given in previous publications. A break has been added to the time series charts to highlight the years affected by this improvement. Full details of the modelling improvement and impact of the change can be found in Chapter 7.

1.9 Uses of the statistics

The statistics are designed to give a broad overview of the take-up of benefits within the entitled population for the six benefits reported upon. This means that they can provide a good indication of how well the different benefits are taken up by their various entitled demographic groups.

They can be used to increase awareness of take-up for particular benefits, inform Government policies and measure the impact of take-up initiatives. Additional details of how the statistics are commonly used can be found in a customer feedback report covering 2010-11[4]:

The figures are based on data from the Family Resources Survey (FRS), the UK's premier survey on incomes, and DWP administrative benefits records.

The methodology for deriving the estimates of take-up is complex. Full details of the methodological considerations and associated issues are outlined in Chapters 8 and 9.

[4] *Usage of Income-related benefits estimates of take-up publication 2010/11* The report can be found at:
http://research.dwp.gov.uk/asd/income_analysis/aug_2011/Usage_of_the_IRB_estimates_of_take-up_publication.pdf

The main considerations to note when using the statistics are:

1.9.1 Take-up presented as a range

In this publication, estimates of take-up are presented as a range, within which we can be confident true take-up lies. When using statistics in this publication no attempt should be made to convert these into point estimates. Due to the combined effects of the possible errors we cannot be certain where true take-up is likely to fall within the ranges and it may be that it falls in the lower or upper ends of the range rather than in the middle. The ranges reflect our estimate of the effects of both sampling and non-sampling error, for more information on this please see Chapter 8.

1.9.2 Population coverage

Due to restrictions in modelling and available data certain populations are excluded from our analysis. As such figures do not cover:

- Those living in non-private households.
- Benefit units considered to be full-time self-employed.
- Those with very high rents or housing costs.
- Young benefit units where their entitlement is unclear.
- The whole United Kingdom: Due to the differences in benefit systems it is not possible to provide estimates for Northern Ireland and thus not possible to provide estimates for the United Kingdom as a whole. As such figures for Great Britain only are presented throughout the report.

Full details of the definition and rationale for these adjustments can be found in sections 8.5 and 8.6; the majority of these adjustments have very small effects on the recipient population.

1.9.3 Use of recipient totals

As a result of the exclusions noted above recipient totals in this publication may differ from those in other published sources. Full details of these adjustments can be found in sections 8.5 and 8.6.

1.9.4 Change over time

We recommend you use the change bullets within each chapter's commentary to determine if take-up has changed over time rather than a direct comparison of the take-up ranges. Due to the uncertainty around the estimates, change from year to year is difficult to identify from the ranges alone. Although the range may have changed from one year to the next this may represent a change in the biases which affect the estimates rather than a change in take-up itself. Results affected by large changes in bias or high levels of bias are highlighted in caveats throughout the report. More detail on this topic can be found in section 9.5 of the Appendix of this publication.

In addition to this the statistics presented for couples for Income Support & Employment and Support Allowance (Income-Related), and Jobseeker's Allowance (Income-Based) were obtained by combining two years' data to overcome small sample sizes. These figures should be treated with caution as changes across both

financial years such as the economic climate could affect the presented figures. Therefore, the change between the two reporting years shown (2007-08 to 2008-09 and 2008-09 to 2009-10) mainly reflects changes between take-up from 2007-08 data and take-up from 2009-10 data as 2008-09 data is included in both reporting years.

1.9.5 Regional Trends

Due to the complexities of the methodology it is not possible to produce reliable estimates at geographies below Great Britain so when using the figures it should always be considered that effects seen are an amalgamation of changes throughout the country rather than one geographical area.

1.9.6 Further Analysis Tables

The further analysis tables can be used as an indication of the reasons why people do not take-up the benefits to which they are entitled to, and to compare across groups. However, these analyses should not be used to infer take-up rates or group populations and should be treated with some caution. This is because figures on which the 'Further Analysis' section of each chapter is based, as outlined in section 1.8.5, have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits. Within the data there will be those who appear to be entitled but not receiving the benefit but will not actually fall into that group and vice versa, for full details on this see Chapter 8.

1.9.7 Rounding of estimates

The actual change between estimates may be smaller, or larger than the visible difference due to rounding. As the estimates are based on survey data, as detailed in section 1.8.3 rounding is applied to the figures presented: Caseload figures are rounded to the nearest 10,000; average amounts to the nearest pound; total amounts claimed and unclaimed to the nearest £10 million and percentages to the nearest whole percentage point. This represents the level of accuracy to which we are confident the estimates are accurate.

1.10 Glossary and notes on definitions

Average
In this publication 'average' is used interchangeably with the word mean (see below).

Backdated claim
Backdated claims are paid to pensioners in respect of Pension Credit, Housing Benefit and Council Tax Benefit. They are claims whereby payment is received as a lump sum which covers the period up to 3 months prior to when the pensioner made the claim. This was reduced from 12 months on 6 October 2008. For example, a pensioner making a claim on 5 September 2009 could receive payment for the period back to 6 June 2009, provided they were eligible for that period.

Benefit Unit
A single adult or a couple living as married and any dependent children (as defined under child). A pensioner living in the same household as his or her grown-up child, for example, is a separate benefit unit from the child and would be assessed separately for Pension Credit entitlement. Since January 2006 same-sex partners (civil partners and cohabiters) are included in the same benefit unit.

Child
A dependent child is defined as an individual aged under 16. A person will also be defined as a child if they are 16 to 19 years old and they are:

- not married nor in a Civil Partnership nor living with a partner; and
- living with parents; and
- in full-time non-advanced education or in unwaged government training.

Confidence Interval
A measure of sampling error. A 95 per cent confidence interval for a true population value is the range constructed from the sample survey that will – if sampling error is the only source of error – contain the 'true' figure on average 95 times out of 100. Note that in practice there are also other sources of non-sampling error in the survey and analysis processes.

Couple
Two adults, of same or different sex, who are married (spouse), or in a civil partnership (partner), or are assumed to be living together as such (cohabiter).

Disability, including limiting long standing illness
Disability is defined as having any long-standing illness, disability or impairment that leads to a substantial difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the Equality Act 2010 (and the Disability Discrimination Act which was

in force in 2009-10). However, some individuals classified as disabled under the Equality Act 2010 would not be captured by this definition.

Entitled
A benefit unit is said to be entitled to receive a benefit if they satisfy the qualifying conditions for that benefit.

Entitled Non-Recipient (ENR)
A benefit unit that is modelled to be entitled to a benefit but is not receiving it is said to be an ENR.

Entitlement
Entitlement is the amount of money an entitled benefit unit should receive in benefit according to modelling.

Grossing up
The sample of FRS respondents is grossed up to represent the Great Britain private household population. Different grossing factors are applied to different types of households in order to correct for over- and under-representation of these household types in the FRS.

Mean
The mean amount claimed or unclaimed is the average, found by adding up the amount for each benefit unit in a population and dividing the result by the grossed up number of benefit units.

Median
The median unclaimed amount is the value that divides the population of Entitled Non-Recipients, when ranked by their modelled entitlements, into two equal-sized groups. In other words, the median is the exact middle point where half the Entitled Non-Recipients have larger unclaimed amounts and half have smaller unclaimed amounts.

Modelled as entitled/modelling entitlement
An assessment of entitlement to each of the income-related benefits is made for each benefit unit on the Family Resources Survey. On the basis of this assessment, benefit units are then classified as Entitled Non-Recipients (ENRs), Entitled Recipients (ERs), Non-Entitled Non-Recipients (NENRs), or Non-Entitled Recipients (NERs). Those benefit units classified as Entitled Non-Recipients and Entitled Recipients have been “modelled as entitled”.

Over-modelled
Modelled entitlement for a benefit unit is greater than the amount of benefit they report receiving in response to the Family Resources Survey.

Under-modelled
Modelled entitlement for a benefit unit is less than the amount of benefit they report receiving in response to the Family Resources Survey.

Owner occupier
This category includes those people who own their housing outright or own with a mortgage, including those people who part-rent and part-own their accommodation.

Pensioner
Pensioners are either single people aged at least 60 or, if a couple, both will be termed pensioners if one is aged at least 60 years old. This definition ties in with qualification conditions for the pensioner premium for the various benefits and for Pension Credit.

Private renters
This includes people privately renting furnished or unfurnished accommodation. This category also includes those whose accommodation is rent-free and squatters.

Registered Social Landlord
Social Landlords that are registered with the Housing Corporation (most are Housing Associations, but can be trusts and co-operatives) to provide social housing. Registered Social Landlords are run as non-profit making businesses.

Recipient
A benefit unit that is in receipt of a benefit is termed a Recipient.

Sampling error
The uncertainty in the estimate arising from taking a random sample of the population which may not reflect the characteristics of the whole population. The likely size of this error can be identified and expressed as a confidence interval.

Social rented sector tenants
This category includes those who rent their accommodation from the Local Authority Council or from a Registered Social Landlord/Housing Association, and the home does not come with a job.

1.11 Abbreviations and symbols

AA	Attendance Allowance	**NER**	Non-Entitled Recipient
AHC	After Housing Costs	**OECD**	Organisation for Economic Co-operation and Development
BHC	Before Housing Costs	**ONS**	Office for National Statistics
BU	Benefit Unit	**PC**	Pension Credit
CTB	Council Tax Benefit	**PSM**	Policy Simulation Model
DDA	Disability Discrimination Act	**QSE**	Quarterly Statistical Enquiry
DLA	Disability Living Allowance	**RP**	Retirement Pension
DWP	Department for Work and Pensions	**SAR**	Second Adult Rebate
ENR	Entitled Non-Recipient	**SC**	Savings Credit element of Pension Credit
ER	Entitled Recipient	**SHBE**	Single Housing Benefit Extract
ESA (IR)	Employment and Support Allowance (Income-Related)	**SSD**	Statistical Services Division
FRS	Family Resources Survey	**WFP**	Winter Fuel Payment
GC	Guarantee Credit element of Pension Credit	**WPLS**	Work and Pensions Longitudinal Study
HB	Housing Benefit	**2009-10**	Financial Year
HBAI	Households Below Average Income	**<**	Less than
IS	Income Support	**>**	Greater than
JSA (IB)	Jobseeker's Allowance (Income-Based)	**..**	Not available
LHA	Local Housing Allowance	**.**	Not applicable/Not possible
MIG	Minimum Income Guarantee	**-**	Negligible
NatCen	National Centre for Social Research	**0**	Nil
NENR	Non-Entitled Non-Recipient		

2 Income Support & Employment and Support Allowance

2.1 Key results

2.1.1 All families

- Caseload take-up: between 77 per cent and 89 per cent overall.
- Expenditure take-up: between 82 per cent and 92 per cent overall.
- Change since 2008-09: there was no evidence of a change in overall caseload take-up between 2008-09 and 2009-10.

2.1.2 Families with children

- Caseload take-up: between 83 per cent and 92 per cent.
- Expenditure take-up: between 86 per cent and 95 per cent.
- Change since 2008-09: there was no evidence of a change in caseload take-up between the two reporting years.

2.1.3 Families without children

- Caseload take-up: between 72 per cent and 87 per cent.
- Expenditure take-up: between 76 per cent and 91 per cent.
- Change since 2008-09: there was no evidence of a change in caseload take-up between the two reporting years.

2.2 Introduction

2.2.1 Background

The description that follows relates to the benefit rules in 2008-09 and 2009-10, since these years are the focus of this chapter. Since 2009-10 there may have been changes which are not included in this information.

Income Support (IS) is paid to non-pensioners who are on low incomes and who are not in full-time work. It is not paid to single people working 16 hours or more per week, or to couples if the claimant works 16 hours or more per week, or the claimant's partner works 24 or more hours per week.

From 27 October 2008, IS for new claimants who are unable to work due to an illness or disability was replaced by Employment and Support Allowance (Income-Related) (ESA (IR)). The statistics presented in this chapter include a combination of IS and ESA (IR). Small sample sizes do not allow for the production of robust estimates for both benefits separately. It is our intention to present stand alone ESA (IR) statistics in future editions of Estimates of Take-Up, when there is sufficient data to allow this.

For both IS and ESA (IR) entitlement was reduced for those with capital holdings of £6,000 or more and those with capital holdings of £16,000 or more were ineligible.

IS and ESA (IR) could be paid in conjunction with Housing Benefit and Council Tax Benefit but not with Jobseeker's Allowance (IB) (JSA (IB)) or each other.

There has also been a change for single people with children. From 24 October 2009 the definition of an older child changed from age twelve to age ten. Singles with children aged ten or older, or whose children will be ten in the next year, were no longer eligible for IS solely on the grounds of being a lone parent. Instead, those able to work and with no carer responsibilities could apply for JSA and would be required to look for work. Those with a disability or health condition were expected to claim ESA (IR).

Singles with children below the age restriction could claim either Income Support or Jobseeker's Allowance (Income-Based). For those who had an underlying entitlement to both of these benefits we cannot determine which one they might have claimed. In practice we know that prior to the introduction of ESA the vast majority of these cases would have claimed Income Support.

Analysis of DWP administrative data showed an average of 795,000 singles with children were claiming Income Support in 2009-10 while only 58,000 were claiming Jobseeker's Allowance (IB) over the same period; this represents around 7 per cent of singles with children in receipt of either benefit. The information on singles with children was gathered from Quarterly Statistical Enquiry (QSE) 5 per cent data from May 2009, August 2009, November 2009 and February 2010.

Therefore, for the purposes of estimating caseload take-up we continue to make the assumption that singles with children would have claimed IS rather than Jobseeker's Allowance (IB) if they have reported receipt of neither. After 24 October 2009, if the youngest child was 10 years of age or older, entitlement to Jobseeker's Allowance (IB) would be assumed if no carer responsibility were indicated.

2.2.2 Readers' notes

- Estimates of caseload and expenditure take-up are presented for IS & ESA (IR) as a whole in Tables 2.3.1 and 2.3.2, by families with and without children. Estimates of take-up by families with children are presented in Tables 2.3.4 and 2.3.5 and by families without children in Tables 2.3.7 and 2.3.8.

- The word 'families' includes singles and couples, with and without children. Pensioners are not included as they are not eligible for IS or ESA (IR).

- To understand in more detail what is meant by 'change in bias' in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

2.2.3 Technical note on the results in this chapter

Since the last publication there has been a change in our approach to modelling entitlement to Income Support & Employment and Support Allowance (IR) along with all other benefits in this publication. The figures have been revised for 2007-08 and 2008-09 using this new approach and it is these figures that are presented in this chapter and which should be used for all future reference. See Chapter 7 for the full details of this change and the revisions.

In this chapter the results for singles without children have been split into single males without children and single females without children. Estimates for singles with children have not been split by gender because the resulting small sample sizes for male singles with children do not allow the calculation of statistically robust results.

The statistics presented for the two groups; couples with children and couples without children, were obtained by combining two years' of data. Statistics presented for 2008-09 were based on analyses of 2007-08 and 2008-09 data combined, whilst statistics presented for 2009-10 were based on analyses of 2008-09 and 2009-10 data combined. This was done because sample sizes were too small to produce robust estimates based on a single year's data.

Further to this, particular caution should be taken with expenditure-based results for the singles with children category. This is because analysis shows that there is a large difference between the amounts of modelled entitlement and amounts claimed for those in receipt for this group.

Data on recipients since 2004-05 are based on the Work and Pensions Longitudinal Study, which covers 100 per cent of claimants.

Recipient totals in this publication may differ from those in other published sources due to a number of adjustments made to the recipient counts in order to make them comparable to the population we are able to produce estimates for. Full details of these adjustments can be found in section 8.6.

2.3 Results

2.3.1 Table of caseload take-up of Income Support & Employment and Support Allowance (Income-Related) by family type

	Year	Families with Children	Families without Children	All families
				(Thousands)
Number of Recipients	2008-09	1,020	1,080	2,100
	2009-10	1,000	1,100	2,090
Range of Entitled Non-Recipients	2008-09	80 : 180	120 : 360	210 : 520
	2009-10	90 : 210	160 : 430	260 : 620
				(Percentages)
Take-Up Ranges	2008-09	85 : 93	75 : 90	80 : 91
	2009-10	83 : 92	72 : 87	77 : 89

Note: The term families includes singles/couples with and without children

Estimates for couples included for 2008-09 are based on combined 2007-08 and 2008-09 data.
Estimates for couples included for 2009-10 are based on combined 2008-09 and 2009-10 data.

2.3.2 Table of expenditure take-up of Income Support & Employment and Support Allowance (Income-Related) by family type

	Year	Families with Children	Families without Children	All families
				(Pounds)
Average Weekly Amounts Claimed	2008-09	93	71	82
	2009-10	90	78	83
Average Weekly Amounts Unclaimed	2008-09	60	52	55
	2009-10	63	58	60
Median Weekly Amounts Unclaimed	2008-09	61	48	59
	2009-10	64	57	64
				(Millions of Pounds)
Total Amount Claimed	2008-09	4,900	4,020	8,920
	2009-10	4,660	4,420	9,080
Total Range Unclaimed	2008-09	230 : 620	290 : 1,060	550 : 1,590
	2009-10	260 : 740	450 : 1,400	750 : 2,040
				(Percentages)
Take-Up Ranges	2008-09	89 : 95	79 : 93	85 : 94
	2009-10	86 : 95	76 : 91	82 : 92

Note: The term families includes singles/couples with and without children

Estimates for couples included for 2008-09 are based on combined 2007-08 and 2008-09 data.
Estimates for couples included for 2009-10 are based on combined 2008-09 and 2009-10 data.

2.3.3 Commentary on take-up of Income Support & Employment and Support Allowance (Income-Related) by family type

- Looking at all the available evidence, it is not possible to say whether the take-up of IS and ESA (IR) was highest amongst families with children or families without children, by either caseload or expenditure measures. See charts 2.3.11 and 2.3.12 for a comparison between demographic groups.

- There was no evidence to suggest a change in take-up amongst families with children between 2008-09 and 2009-10, by caseload.

- There was no evidence to suggest a change in caseload take-up amongst families without children between 2008-09 and 2009-10.

- As a result of this, there was no evidence of overall change in take-up between the two reporting years.

2.3.4 Table of caseload take-up of Income Support & Employment and Support Allowance (Income-Related) by families with children

	Year	Couples with Children	Singles with Children	All Families with Children
				(Thousands)
Number of Recipients	2008-09	160	860	1,020
	2009-10	160	840	1,000
Range of Entitled Non-Recipients	2008-09	20 : 60	60 : 130	80 : 180
	2009-10	10 : 60	70 : 160	90 : 210
				(Percentages)
Take-Up Ranges	2008-09	74 : 88	87 : 94	85 : 93
	2009-10	74 : 92	84 : 92	83 : 92

Note: Estimates for couples presented for 2008-09 are based on combined 2007-08 and 2008-09 data. Estimates for couples presented for 2009-10 are based on combined 2008-09 and 2009-10 data.

2.3.5 Table of expenditure take-up of Income Support & Employment and Support Allowance (Income-Related) by families with children

	Year	Couples with Children	Singles with Children	All Families with Children
				(Pounds)
Average Weekly Amounts Claimed	2008-09	124	87	93
	2009-10	125	84	90
Average Weekly Amounts Unclaimed	2008-09	62	60	60
	2009-10	72	60	63
Median Weekly Amounts Unclaimed	2008-09	44	61	61
	2009-10	77	64	64
				(Millions of Pounds)
Total Amount Claimed	2008-09	1,000	3,900	4,900
	2009-10	1,010	3,650	4,660
Total Range Unclaimed	2008-09	60 : 210	160 : 450	230 : 620
	2009-10	40 : 240	200 : 540	260 : 740
				(Percentages)
Take-Up Ranges	2008-09	82 : 95	90 : 96	89 : 95
	2009-10	81 : 96	87 : 95	86 : 95

Note: Estimates for couples presented for 2008-09 are based on combined 2007-08 and 2008-09 data. Estimates for couples presented for 2009-10 are based on combined 2008-09 and 2009-10 data.

2.3.6 Commentary on take-up of Income Support & Employment and Support Allowance (Income-Related) by families with children

- Looking at all the available evidence, it is not possible to say whether the take-up of IS and ESA (IR) was highest amongst couples with children or singles with children, by either caseload or expenditure measures. See charts 2.3.11 and 2.3.12 for a comparison between demographic groups.

- There was no evidence to suggest a change in caseload take-up amongst couples with children between 2007-08 to 2008-09 and 2008-09 to 2009-10, but given the changes in bias for this group we cannot be certain.

- There was no evidence to suggest a change in caseload take-up for singles with children between 2008-09 and 2009-10, but we cannot be certain due to high levels of bias for this group.

- There was no evidence to suggest a change in take-up amongst families with children overall between 2008-09 and 2009-10, by caseload.

2.3.7 Table of caseload take-up of Income Support & Employment and Support Allowance (Income-Related) by families without children

	Year	Couples	Single Males	Single Females	All Families without Children
					(Thousands)
Number of Recipients	2008-09	110	540	430	1,080
	2009-10	110	550	430	1,100
Range of Entitled Non-Recipients	2008-09	20 : 50	40 : 180	40 : 150	120 : 360
	2009-10	10 : 40	90 : 270	40 : 140	160 : 430
					(Percentages)
Take-Up Ranges	2008-09	69 : 83	75 : 93	75 : 91	75 : 90
	2009-10	71 : 89	67 : 86	76 : 91	72 : 87

Note: Estimates for couples presented for 2008-09 are based on combined 2007-08 and 2008-09 data. Estimates for couples presented for 2009-10 are based on combined 2008-09 and 2009-10 data.

2.3.8 Table of expenditure take-up of Income Support & Employment and Support Allowance (Income-Related) by families without children

	Year	Couples	Single Males	Single Females	All Families without Children
					(Pounds)
Average Weekly Amounts Claimed	2008-09	85	70	70	71
	2009-10	91	76	76	78
Average Weekly Amounts Unclaimed	2008-09	61	46	57	52
	2009-10	67	61	50	58
Median Weekly Amounts Unclaimed	2008-09	51	40	56	48
	2009-10	52	81	41	57
					(Millions of Pounds)
Total Amount Claimed	2008-09	470	1,980	1,580	4,020
	2009-10	510	2,190	1,720	4,420
Total Range Unclaimed	2008-09	60 : 180	80 : 500	110 : 490	290 : 1,060
	2009-10	40 : 190	260 : 940	100 : 420	450 : 1,400
					(Percentages)
Take-Up Ranges	2008-09	72 : 89	80 : 96	76 : 93	79 : 93
	2009-10	73 : 93	70 : 89	80 : 95	76 : 91

Note: Estimates for couples presented for 2008-09 are based on combined 2007-08 and 2008-09 data. Estimates for couples presented for 2009-10 are based on combined 2008-09 and 2009-10 data.

2.3.9 Commentary on take-up of Income Support & Employment and Support Allowance (Income-Related) by families without children

- Looking at all the evidence available, it is not possible to say which of these groups had the highest or lowest take-up rate of IS and ESA (IR) by either caseload or expenditure measures. See charts 2.3.11 and 2.3.12 for a comparison between demographic groups.

- There was evidence to suggest an increase in caseload take-up for couples without children of around 1 percentage point between 2007-08 to 2008-09 and 2008-09 to 2009-10.

- There was evidence to suggest a decrease in caseload take-up for single males without children of around 1 percentage point between 2008-09 and 2009-10; however caution is required due to high levels of bias.

- There was evidence to suggest an increase in caseload take-up for single females without children of around 1 percentage point between 2008-09 and 2009-10.

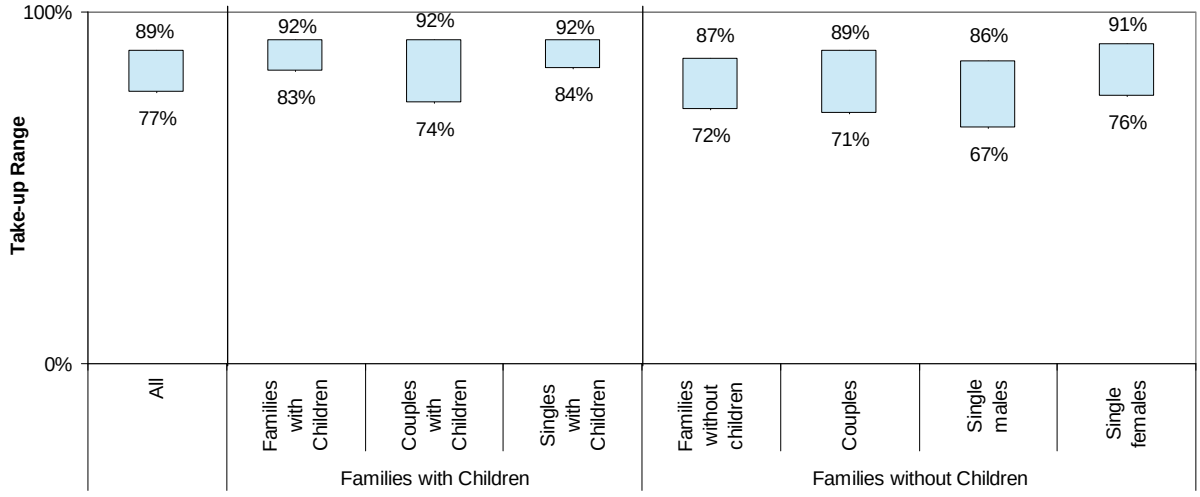
- There was no evidence to suggest a change in caseload take-up amongst families without children overall between 2008-09 and 2009-10.

2.3.10 Within year take-up of Income Support & Employment and Support Allowance (Income-Related) by family type for 2009-10

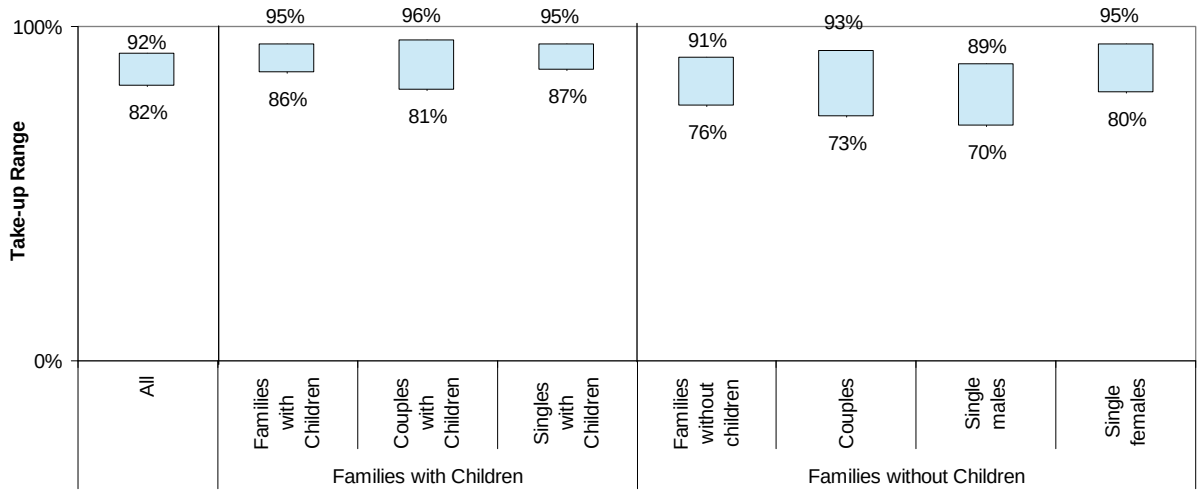
The charts below show the different demographic splits for which estimates of take-up are derived for 2009-10. They provide a comparison between the groups within the population.

Where ranges overlap it is not possible to say which group has higher or lower take-up and caution should be taken when interpreting groups with high bias; commentary related to these charts can be found with the associated tables above.

2.3.11 Caseload take-up of Income Support & Employment and Support Allowance (Income-Related) by family type for 2009-10



2.3.12 Expenditure take-up of Income Support & Employment and Support Allowance (Income-Related) by family type for 2009-10



2.4 Further analysis of those entitled to but not receiving Income Support or Employment and Support Allowance (Income-Related)

2.4.1 Introduction

In this section we describe the characteristics of those who were entitled to IS or ESA (IR) but were not receiving it (Entitled Non-Recipients, or ENRs). Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled to and in receipt (Entitled Recipients, or ERs) of IS or ESA (IR) and in doing so explore some of the possible causes of non-take-up. The tables show the percentage of ENRs and ERs against different characteristic groupings.

These analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits. Within the data there will be those who appear to be ENRs but will not all actually be ENRs and vice versa (for more on this see Chapter 8). Accordingly, these analyses should be treated with some caution.

2.4.2 Readers' notes

- Columns may not sum to 100 due to rounding.
- An equal percentage of ENRs and ERs in any one category does not mean that there is the same number of benefit units in that category.
- Some of the tables are based on combined 2008-09 and 2009-10 FRS data to make results more robust; for ethnicity 2007-08, 2008-09 and 2009-10 FRS data have been used.
- Social rented sector tenants include those who rent their accommodation from the Local Authority, a Registered Social Landlord or a Housing Association.
- The private tenant category includes those who privately rent their accommodation and include a small number of households who live in a property rent free.
- Benefit units have been classified according to the ethnic group of the head of the benefit unit, which means that information about others in the benefit unit is lost. Despite the use of three years' data, the figures presented here should still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups.
- Where sample sizes are too small to show robust estimates '..' replaces figures.

2.4.3 Age profile

Age profile	Percentage of ENRs	Percentage of ERs
Less than 25	16	15
25 but less than 30	11	11
30 but less than 35	11	11
35 but less than 40	8	13
40 but less than 45	11	13
45 but less than 50	13	14
50 but less than 55	16	11
55 but less than 60	15	12
Total	100	100

- ENRs of IS or ESA (IR) tended to be slightly older than their ER counterparts.
- 50 per cent of ERs were aged less than 40, compared with 46 per cent of ENRs.
- A greater proportion of ENRs were aged between 50 and 59 years – 31 per cent of ENRs were in this age group, compared with 23 per cent of ERs.

2.4.4 Weekly Entitlement

Pounds per week	Percentage of ENRs	Percentage of ERs
Less than £10	15	3
£10 but less than £20	10	2
£20 but less than £30	7	3
£30 but less than £40	7	5
£40 but less than £50	6	5
£50 but less than £60	5	3
£60 but less than £70	16	37
£70 but less than £80	7	3
£80 but less than £90	12	12
£90 but less than £100	4	11
£100 or more	13	14
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- For all family types, ENRs were entitled to lower amounts than ERs. The distribution of amounts unclaimed was heavily skewed to smaller amounts.
- This suggests take-up was lower among those who appeared to be entitled to smaller amounts.
- One possible reason why people do not take-up benefit is because they regard the amounts they might receive as not worth the effort of claiming.
- Alternatively, those with less entitlement may be less confident of their entitlement and therefore do not claim.

- 24 per cent of ENRs in 2009-10 were entitled to less than £20 per week compared with 5 per cent of ERs. This pattern of difference holds across family types. Figures may not sum due to rounding.

2.4.5 Disabled people

Disability	Percentage of ENRs	Percentage of ERs
Living with no disabled people	28	35
Living with at least one disabled person	72	65
Total	100	100

- 65 per cent of ERs had at least one disabled person (please refer to the glossary, section 1.10, for the definition of 'disabled') in the benefit unit compared with 72 per cent of ENRs.

- These figures may indicate that take-up of IS and ESA (IR) was lower among benefit units containing one or more disabled person.

2.4.6 Ethnicity

Ethnicity	Percentage of ENRs	Percentage of ERs
White	85	86
Mixed	..	2
Asian or Asian British	7	4
Black or Black British	5	5
Other	..	2
Total	100	100

Note: This table is based on a combination of 2007-08, 2008-09 and 2009-10 data.

- There were proportionately similar numbers of ENRs and ERs in each ethnic group, so it is not clear that there are differences in take-up by ethnicity.

- ENR figures for the Mixed and Other populations have been suppressed due to very small sample sizes.

2.4.7 Marital status

Marital Status	Percentage of ENRs	Percentage of ERs
Single	83	83
Couple - Cohabiting	3	5
Couple - Married	14	12
Total	100	100

- There were proportionately similar numbers of ENRs and ERs in each group, so it is not clear that there are differences in take-up by marital status.

2.4.8 Other benefit units

Other benefit units	Percentage of ENRs	Percentage of ERs
No other benefit unit in the household	56	74
One or more benefit units in the household	44	26
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- A further possible explanation for non-take-up of IS and ESA (IR) is that ENRs may share resources with others living in the same household.

- 44 per cent of ENRs and 26 per cent of ERs shared their household with other benefit units. Of the ENRs living in households with more than one benefit unit, 79 per cent lived with benefit units who had £150 or more per week gross income. This compares with 64 per cent in the case of ERs living with other benefit units.

- This suggests that the benefit units who lived with ERs tended to have less gross income (and therefore less resources to share) than their counterparts who lived with ENRs, possibly contributing to their decision to claim.

2.4.9 Other income (excluding Housing Benefit and Council Tax Benefit)

Other income (pounds per week)	Percentage of ENRs	Percentage of ERs
For couples		
Less than £150	41	46
£150 or more	59	54
Total	100	100
For singles		
Less than £75	48	52
£75 or more	52	48
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 59 per cent of all couple ENRs had other income (excluding Housing Benefit and Council Tax Benefit) of more than £150 per week compared with 54 per cent of ERs. Other income includes earnings, benefits and tax credits.
- We get a similar result when we look at all singles, including those with children; 52 per cent of single ENRs had other income in excess of £75 per week, compared with 48 per cent of ERs.
- These results suggest that the existence of significant amounts of other income may have dissuaded both single and couple ENRs from claiming IS or ESA (IR). However the differences are small.

2.4.10 Other benefit income

The previous analysis includes income that is taken into account when working out entitlement to IS or ESA (IR), so it focuses on those with smaller entitlements.

By defining 'other benefit income' as all the benefits that are disregarded when entitlement to IS or ESA (IR) is assessed (such as Housing Benefit, Council Tax Benefit, Attendance Allowance and Disability Living Allowance), then we can get some idea whether ENRs were more or less likely to try to manage with the benefit income they already had.

Other benefit income (pounds per week)	Percentage of ENRs	Percentage of ERs
For couples		
Less than £150	81	67
£150 and above	19	33
Total	100	100
For singles		
Less than £75	64	35
£75 and more	36	65
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- For all couples, 19 per cent of ENRs and 33 per cent of ERs had other benefit income in excess of £150 per week. This suggests that ENRs may not be trying to manage with the benefit income they already receive. In fact, those with higher benefit income may be more aware of their entitlement through contact with the benefits system and therefore more willing and likely to claim IS or ESA (IR). Please note, however, that the percentages for couples are based on smaller sample sizes and should therefore be treated with caution.

- A similar conclusion is reached when examining all singles, including those with children; 36 per cent of ENRs and 65 per cent of ERs had other benefit income in excess of £75 per week.

2.4.11 Region/Country

Region / Country	Percentage of ENRs	Percentage of ERs
North East	5	5
North West	16	16
Yorkshire and the Humber	10	10
East Midlands	7	6
West Midlands	11	10
East of England	6	7
London	15	15
South East	9	8
South West	6	7
Wales	6	6
Scotland	11	10
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- There were proportionately similar numbers of ENRs and ERs in each area, so it is not clear that there are differences in take-up by region/country.

2.4.12 Tenure

Tenure	Percentage of ENRs	Percentage of ERs
Social Rented Sector Tenants	46	64
Rented Privately	14	21
Owner Occupiers	40	14
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- There were proportionately more ERs than ENRs among Social Rented Sector Tenants and those Renting Privately. The opposite was true of Owner Occupiers which accounted for 40 per cent of ENRs but only 14 per cent of ERs.

- This suggests that Owner Occupiers had a lower rate of take-up of IS and ESA (IR) than other tenure types.

2.4.13 Interaction between Income Support or Employment and Support Allowance (Income-Related) and Housing Benefit (HB)

Interaction with HB	Percentage of ENRs	Percentage of ERs
HB ENR	7	2
HB ER	36	76
No HB entitlement	57	22
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 36 per cent of those entitled to but not receiving IS or ESA (IR) were receiving Housing Benefit.
- The table also shows that ERs of IS or ESA (IR) were very unlikely (2 per cent) to be entitled to but not receiving Housing Benefit.

2.4.14 Interaction between Income Support or Employment and Support Allowance (Income-Related) and Council Tax Benefit (CTB)

Interaction with CTB	Percentage of ENRs	Percentage of ERs
CTB ENR	23	2
CTB ER	45	83
No CTB entitlement	32	15
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 45 per cent of those entitled to but not receiving IS or ESA (IR) were receiving Council Tax Benefit.
- 32 per cent of IS or ESA (IR) ENRs had no entitlement to CTB compared with 15 per cent of ERs.
- The table shows that ENRs of IS or ESA (IR) were more likely to be not receiving their Council Tax Benefit entitlement than were ERs of IS or ESA (IR)

2.4.15 Below 60 per cent of contemporary median income

This section provides an analysis of the percentage of ENRs and ERs of IS or ESA (IR) who were living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. Measures of low income are presented on two bases, Before Housing Costs (BHC) are deducted from income and After Housing Costs (AHC) are deducted from income.

This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[5]. Further details are available within the introduction at 1.8.6.

2.4.16 Table of the percentage of ENRs and ERs of Income Support & Employment and Support Allowance (Income-Related) below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
All Families	**ENRs**	2008-09	66	74
		2009-10	68	76
	ERs	2008-09	49	71
		2009-10	37	67

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- Before Housing Costs a greater proportion of ENRs (68 per cent) than ERs (37 per cent) were in households below 60 per cent of median income in 2009-10.
- When looking at estimates on an After Housing Costs basis in 2009-10, the difference is much smaller but there was still a greater proportion of ENRs (76 per cent) than ERs (67 per cent) in households below 60 per cent of contemporary median income.

[5] *Households Below Average Income 2009-10* (DWP) 2011 The report can be found at: http://research.dwp.gov.uk/asd/index.php?page=hbai

2.5 Trends in take-up over time

2.5.1 Introduction

Below there are a number of time series charts for the trend in take-up of IS and ESA (IR) for different family types since 1997-98. Further background information can be found in the introduction at 1.8.7.

The analysis refers back to 1997-98 in particular because this is the first complete financial year in which Income Support was available to benefit recipients.

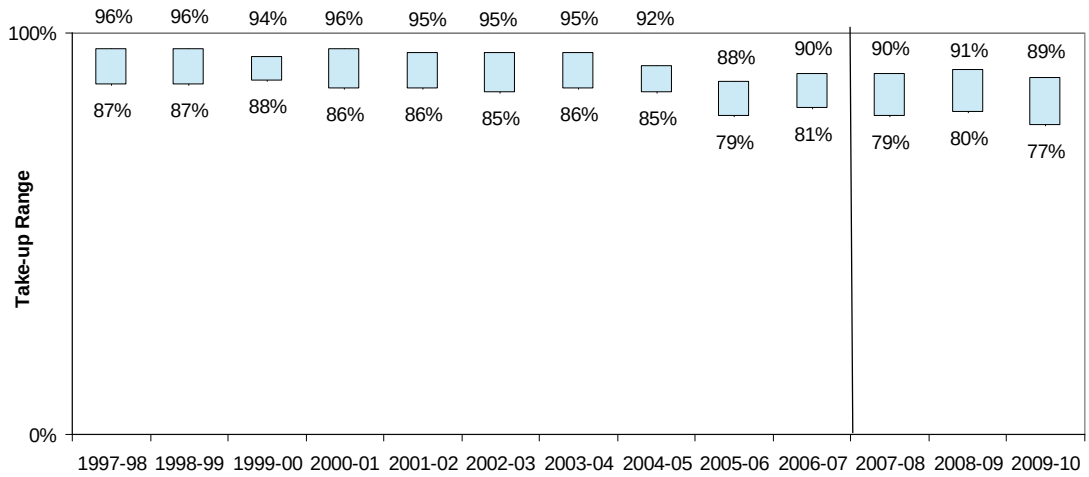
Prior to 1997-98 the conditions of entitlement for Income Support were significantly different, especially for couples with children, single males and single females. From October 1996 onwards many in these groups would have been required to claim JSA (IB) rather than Income Support.

Therefore, it is not meaningful to extend these examinations of trends to periods before 1997-98.

The break in the time series between 2006-07 and 2007-08, shown on the graphs below, represents the change in the modelling approach as described in Chapter 7. The impacts this change had on the results for 2007-08 and 2008-09 are shown in full for each family type in section 7.2.

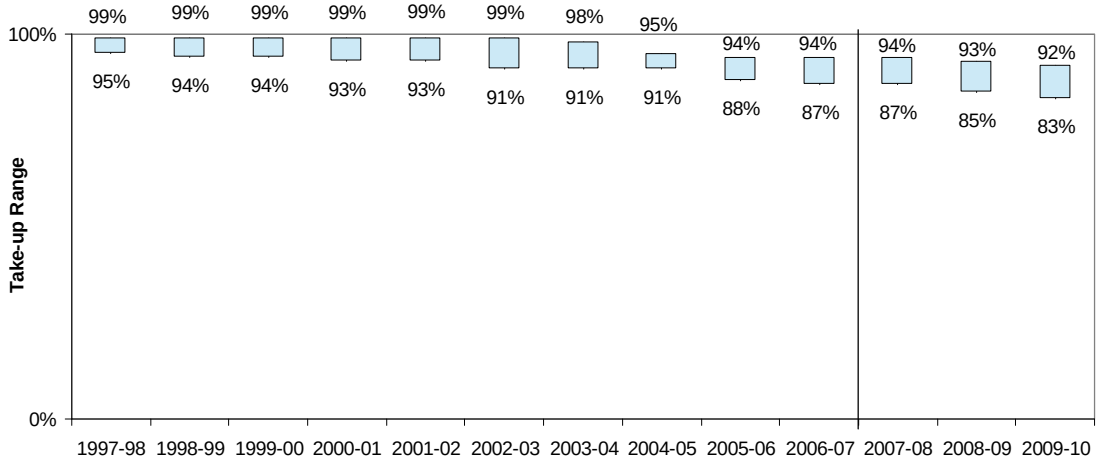
To understand in more detail what is meant by ‘change in bias’ in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

2.5.2 All families



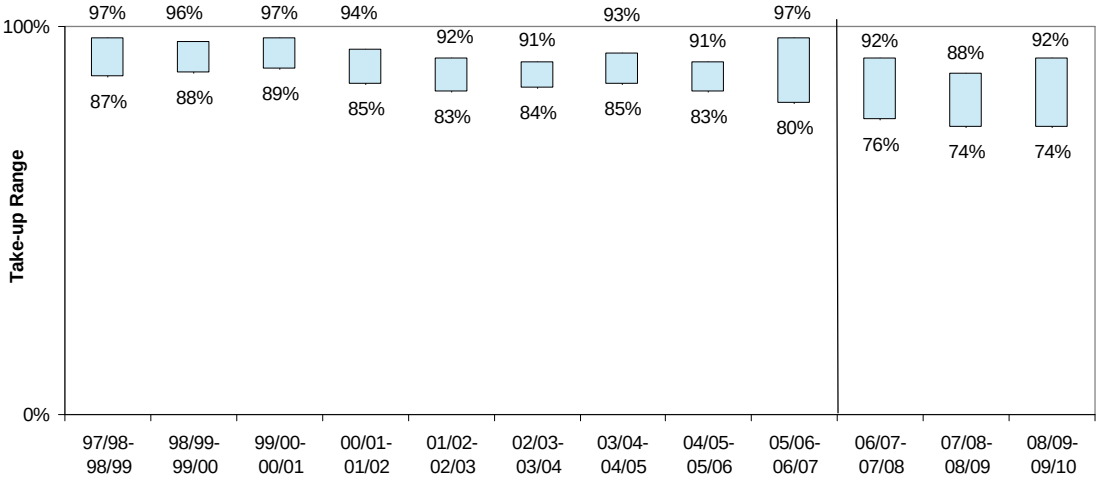
- Between 1997-98 and 2009-10 there was evidence to suggest a decrease in take-up of around 3 percentage points.
- There was no evidence of change between 2008-09 and 2009-10.

2.5.3 Families with children



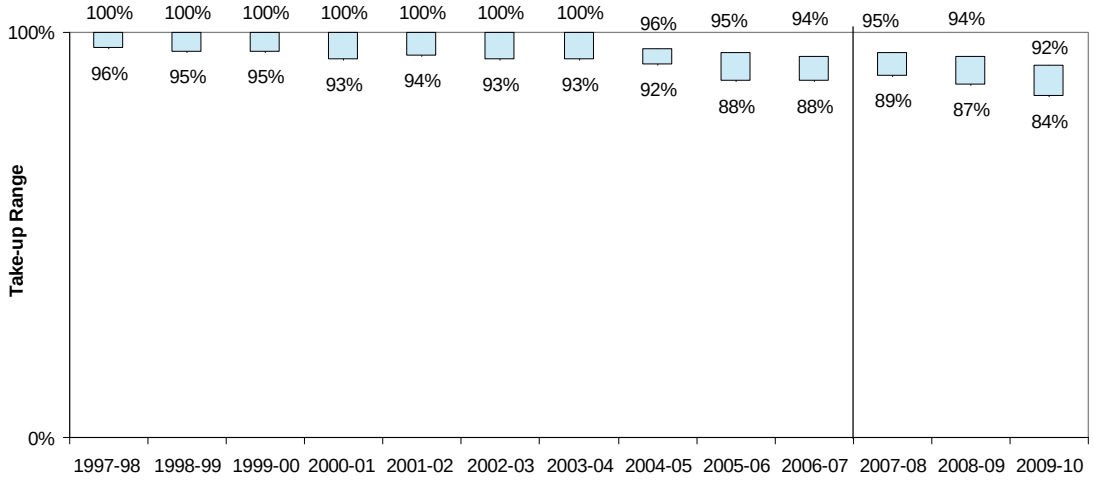
- For families with children, since 1997-98 there has been a decrease in take-up of at least 3 percentage points for this group as a whole.
- There was no evidence of change between 2008-09 and 2009-10.

2.5.4 Couples with children



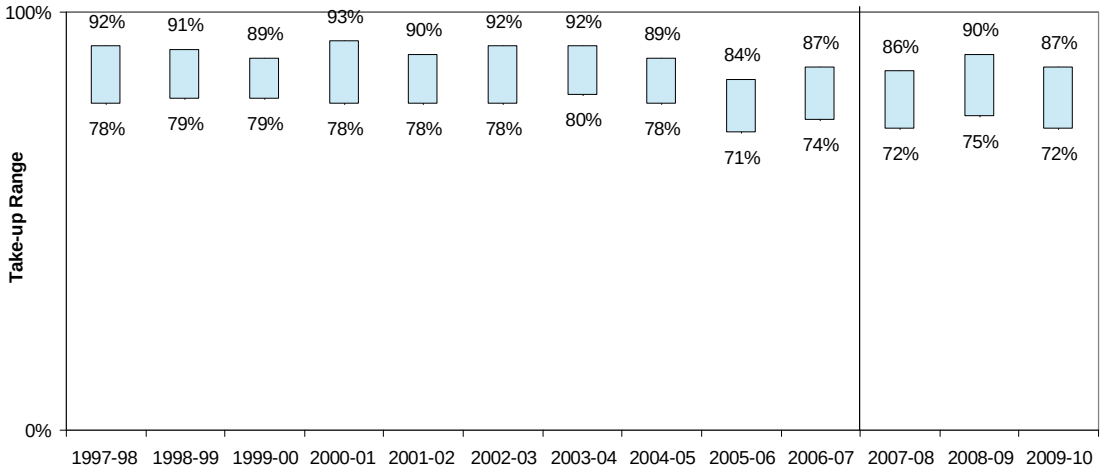
- Since 1997-98 there was evidence to suggest a decrease in take-up of around 8 percentage points for couples with children; however, changes in the level of bias mean we cannot be certain.
- There was no evidence of change between 2008-09 and 2009-10, however we cannot be certain due to changes in bias.

2.5.5 Singles with children



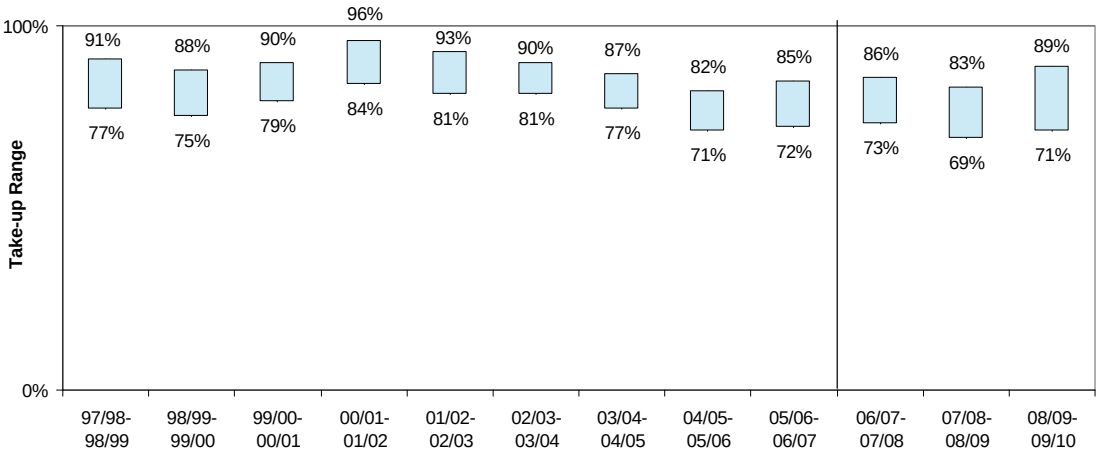
- Since 1997-98 there was evidence to suggest a decrease in take-up of at least 4 percentage points for singles with children; however, caution is required due to a high and changing level of bias.
- There was no evidence of change between 2008-09 and 2009-10, however we cannot be certain due to high levels of bias.

2.5.6 Families without children



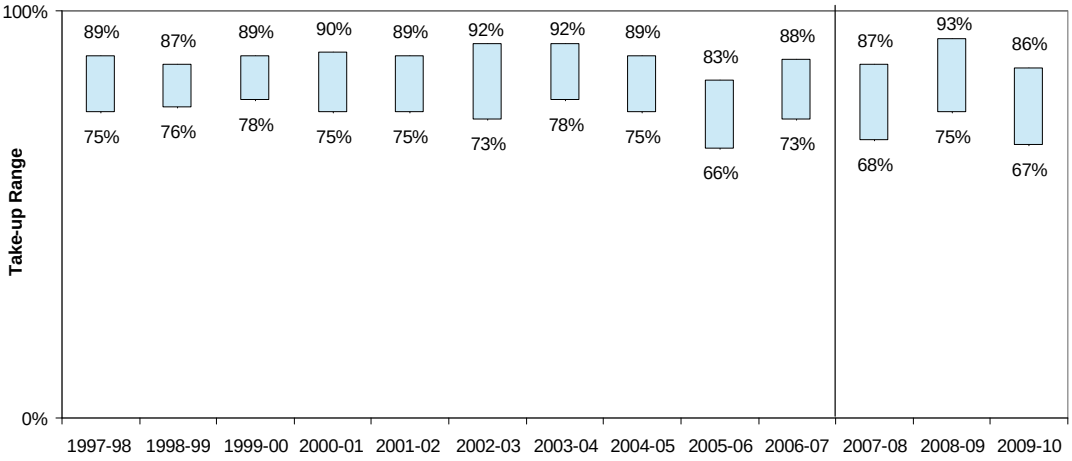
- Since 1997-98, there has been no change in take-up for this group as a whole.
- There was no evidence of change between 2008-09 and 2009-10.

2.5.7 Couples without children



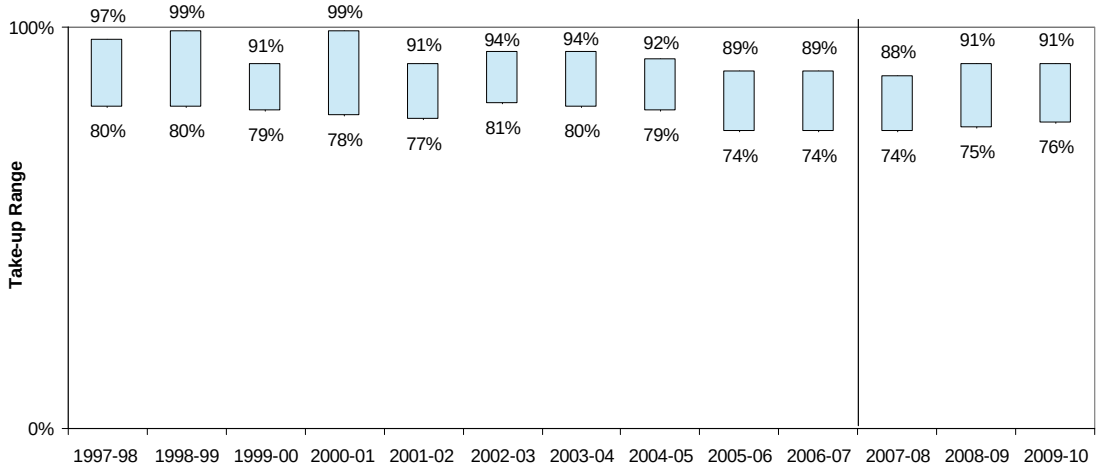
- Since 1997-98 there has been no change in take-up for this group.
- There was evidence of an increase in caseload take-up of around 1 percentage point between 2008-09 and 2009-10.

2.5.8 Single males without children



- Since 1997-98, there has been no change in take-up for this group; however due to a high level of bias in our modelling we cannot be certain of this.
- There was evidence of a decrease in caseload take-up of around 1 percentage point between 2008-09 and 2009-10; however we cannot be certain due to high levels of bias.

2.5.9 Single females without children



- Between 1997-98 and 2009-10 there has been no change in take-up.
- There was evidence of an increase in caseload take-up of around 1 percentage point for singles with children between 2008-09 and 2009-10.

3 Pension Credit

3.1 Key results

3.1.1 All Pension Credit

- Caseload take-up: between 62 per cent and 68 per cent overall.
- Expenditure take-up: between 73 per cent and 80 per cent overall.
- Change since 2008-09: there was no conclusive evidence of a change in caseload take-up between the two reporting years.
- Change since 2003-04: there was evidence to suggest an increase in caseload take-up of around 10 percentage points; although we cannot be certain due to changes in bias over the period.

3.1.2 Guarantee Credit only

- Caseload take-up: between 73 per cent and 80 per cent.
- Expenditure take-up: between 77 per cent and 85 per cent.
- Change since 2008-09: there was no evidence of a change in caseload take-up between the two reporting years.
- Change since 2003-04: there was evidence of an increase of around 8 percentage points in caseload take-up, although we cannot be certain due to changes in bias over the period.

3.1.3 Guarantee and Savings Credit

- Caseload take-up: between 71 per cent and 82 per cent.
- Expenditure take-up: between 74 per cent and 85 per cent.
- Change since 2008-09: there was no evidence of a change in caseload take-up between the two reporting years.
- Change since 2003-04: there was evidence of a sizable increase in take-up for this group of around 20 percentage points; although we cannot be certain due to changing levels of bias for this group.

3.1.4 Savings Credit only

- Caseload take-up: between 43 per cent and 48 per cent.
- Expenditure take-up: between 49 per cent and 56 per cent.
- Change since 2008-09: there was no conclusive evidence of a change in caseload take-up between the two reporting years.
- Change since 2003-04: there was evidence of an increase in caseload take-up of around 5 percentage points; although we cannot be certain due to changing levels of bias for this group.

3.2 Introduction

3.2.1 Background

Pension Credit (PC) was introduced on 6 October 2003 and replaced the Minimum Income Guarantee (MIG). The description that follows relates to Pension Credit in 2008-09 and 2009-10, since these years are the focus of this chapter. Since 2009-10 there have been changes to Pension Credit which are not included in this information.

Pension Credit is paid to people aged 60 and over who are living on low incomes and guarantees all pensioners a certain level of income.

There are two parts to Pension Credit: the Guarantee Credit (GC) and the Savings Credit (SC). The Guarantee Credit ensures a guaranteed level of income by providing financial help for people aged 60 and over whose income is below a given threshold. The Savings Credit is an extra amount for people aged 65 or over who have made modest provision for their retirement above the level of the basic state pension (such as savings or a second pension). Entitlement to the Guarantee Credit and the Savings Credit is calculated separately, and as a result, pensioners can receive both or either elements of Pension Credit.

Capital below £6,000 (£10,000 from 2 October 2009) is ignored in the calculation of entitlement. There is no upper limit to the amount of capital a person may have, but any amount greater than £6,000 (£10,000 from 2 October 2009) may affect the amount of Pension Credit received (those in Residential Care or Nursing Homes already had, and maintained a limit of £10,000, however due to the scope of the source data these cases are excluded from the analysis). An income of £1 per week is assumed for every £500, or part of £500, where capital exceeds £6,000, or £10,000 from 2 October 2009.

Men aged over 60 but under 65 may claim either Pension Credit/Income Support or Jobseeker's Allowance (IB). For those who had an underlying entitlement to both of these benefits we cannot determine which one they might claim.

In practice we know that the vast majority of these cases would have claimed Pension Credit/Income Support, because DWP administrative data shows that only very small numbers of these groups claim JSA (IB). In particular, analysis of DWP administrative data confirmed this pattern. It showed an average of 235,000 men aged 60-64 were claiming Pension Credit in 2009-10 while only 5,000 were claiming JSA (IB) over the same period. The 5,000 JSA (IB) recipients represented around 2 per cent of men aged 60-64 in receipt of either benefit.

The information on Pension Credit was gathered from DWP Work and Pensions Longitudinal Study (WPLS) administrative data and the information on Jobseeker's Allowance was gathered from Quarterly Statistical Enquire (QSE) data from May 2009, August 2009, November 2009 and February 2010.

So, for the purposes of estimating take-up we continue to make the assumption that men aged over 60 but under 65 would have claimed Pension Credit rather than Jobseeker's Allowance if they had not reported receipt of either benefit.

Pension Credit could be paid in conjunction with Housing Benefit and Council Tax Benefit but not with Jobseeker's Allowance, Income Support or Employment and Support Allowance.

3.2.2 Readers' notes

- Estimates of caseload and expenditure take-up are presented for Pension Credit as a whole in Tables 3.3.1 and 3.3.2, by pensioner family type. Estimates of take-up for the components of Pension Credit are presented in the following tables: 3.3.4 and 3.3.5 for the Guarantee element only; 3.3.7 and 3.3.8 for both the Guarantee and Savings Credit; and 3.3.10 and 3.3.11 for Savings Credit only.

- Estimates of Pension Credit unclaimed amounts should be treated with caution. This is because the sample sizes for estimated ENRs, on which the figures are based, tend to be small. Additionally, they are based on a sample that may include a number of false ENRs who cannot be identified and removed, and may not include some true ENRs who have been modelled as Non-Entitled Non-Recipients. See Chapter 8 for more details on how these errors are accounted for.

- To understand in more detail what is meant by 'change in bias' in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

3.2.3 Technical note on the results in this chapter

Since the last publication there has been a change in our approach to modelling entitlement to Pension Credit along with all other benefits in this publication. The figures have been revised for 2007-08 and 2008-09 using this new approach and it is these figures that are presented in this chapter and which should be used for all future reference. See Chapter 7 for the full details of this change and the revisions.

The introduction of Pension Credit resulted in, for a significant number of claimants, entitlements being awarded some time after the introduction of the new benefit in October 2003, but backdated by up to 12 months.

This was part of a deliberate policy by the then Pension Service to introduce Pension Credit in a staged and managed fashion, to avoid bottlenecks in the number of claims being processed, but without financially disadvantaging recipients.

Cases where payments were made some time after a pensioner became entitled have been incorporated into both the estimates of recipients and those who were entitled yet not receiving in the following results. This means that the recipient count will differ from recipient counts published by other sources, as it includes recipients who eventually received Pension Credit at a later date, but were entitled in 2009-10.

The number of backdated claims has fallen between 2008-09 and 2009-10. This publication has still taken account of those claims that were paid in 2010-11, but were backdated to 2009-10.

Had the analysis reported in this publication not taken into consideration the effect of backdating, estimates of take-up would have been lower. In 2009-10 the ranges of caseload take-up would have been around 1 percentage point lower.

For previous years, the lower and upper ranges of caseload take-up would have been:

- Around 12 to 15 percentage points lower for Pension Credit overall in 2003-04.
- Around 3 percentage points lower for Pension Credit overall in 2004-05.
- Around 2 percentage points lower for Pension Credit overall in 2005-06.
- Around 1 to 2 percentage points lower for Pension Credit overall in 2006-07.
- Around 1 to 2 percentage points lower for Pension Credit overall in 2007-08.
- Around 1 percentage point lower for Pension Credit overall in 2008-09.

The DWP research report No: 197 "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"[6] provided evidence of significant under-reporting of capital holdings by pensioners responding to the Family Resources Survey. Estimates of take-up presented in this chapter have been adjusted to take account of this potential source of bias.

In addition, there is evidence to suggest that some pensioner respondents to the Family Resources Survey may not correctly report which benefits they are receiving, resulting in an increase in the number of apparent ENRs of Pension Credit. An exercise examining such responses revealed a substantial number of 'hidden' Pension Credit recipients; the estimates of take-up for 2009-10 incorporate the results of this investigation.

Caution should be taken with expenditure take-up results for Savings Credit for couples, single females and overall. This is because analysis shows that there is a large difference between the amounts of modelled entitlement and amounts claimed for those in receipt for these groups.

Recipient totals in this publication may differ from those in other published sources due to a number of adjustments made to the recipient counts in order to make them comparable to the population we are able to produce estimates for. Full detail of these adjustments can be found in section 8.6.

[6] *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit*
The report can be found at:
http://research.dwp.gov.uk/asd/asd5/rports2003-2004/rrep197.asp

3.3 Results

3.3.1 Table of caseload take-up of Pension Credit

	Year	Couples	Single Males	Single Females	All
					(Thousands)
Number of Recipients	2008-09	610	550	1,450	2,610
	2009-10	620	560	1,430	2,620
Range of Entitled Non-Recipients	2008-09	320 : 580	160 : 290	410 : 680	910 : 1,520
	2009-10	490 : 620	190 : 290	510 : 700	1,210 : 1,580
					(Percentages)
Take-Up Ranges	2008-09	51 : 65	65 : 77	68 : 78	63 : 74
	2009-10	50 : 56	66 : 75	67 : 74	62 : 68

3.3.2 Table of expenditure take-up of Pension Credit

	Year	Couples	Single Males	Single Females	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	63	55	48	53
	2009-10	67	59	50	56
Average Weekly Amounts Unclaimed	2008-09	39	30	31	34
	2009-10	34	35	31	33
Median Weekly Amounts Unclaimed	2008-09	24	19	22	22
	2009-10	20	22	20	21
					(Millions of Pounds)
Total Amount Claimed	2008-09	2,000	1,570	3,610	7,180
	2009-10	2,170	1,720	3,760	7,640
Total Range Unclaimed	2008-09	610 : 1,290	230 : 510	630 : 1,180	1,530 : 2,810
	2009-10	780 : 1,180	310 : 590	750 : 1,190	1,940 : 2,800
					(Percentages)
Take-Up Ranges	2008-09	61 : 77	75 : 87	75 : 85	72 : 82
	2009-10	65 : 74	74 : 85	76 : 83	73 : 80

3.3.3 Commentary on take-up of Pension Credit

- Ranges suggest that couples have lower take-up of Pension Credit for caseload estimates but the ranges overlap for expenditure estimates so it is not possible to determine which has higher rates of take-up. There was no evidence of a difference between single male and single female rates of take-up. See charts 3.3.14 and 3.3.15 for a comparison between demographic groups and Pension Credit type.

- For pensioner couples there was no evidence of a change in the level of caseload take-up between 2008-09 and 2009-10, although we cannot be certain due to changes in bias for this group.

- For single male pensioners there was evidence of a 3 percentage point increase in the level of caseload take-up.

- For single female pensioners there was evidence of a small increase in the level of caseload take-up of around 2 percentage points.

- Despite relatively large changes in the take-up rates and range of Entitled Non-Recipients from 2008-09 to 2009-10 for pensioners overall, there was no strong evidence of a change in true take-up between the two reporting years. The changes are driven by a reduction in the upper take-up range, resulting in a narrower range in which true take-up lies. This tightening is driven by a reduction in the number of hidden recipients found in the population and the subsequent effect this has on the error ranges. This results in the derivation of a smaller take-up range. However it does not represent a change in true take-up. Please refer to section 1.1 for more details of what is meant by ‘true take-up’ and section 8.7.4 for more detail of what is meant by ‘hidden recipients’.

3.3.4 Table of caseload take-up of Guarantee Credit only

	Year	Couples	Single Males	Single Females	All
					(Thousands)
Number of Recipients	2008-09	190	220	450	860
	2009-10	210	230	470	910
Range of Entitled Non-Recipients	2008-09	50 : 120	30 : 70	80 : 170	170 : 340
	2009-10	70 : 120	40 : 80	100 : 160	230 : 340
					(Percentages)
Take-Up Ranges	2008-09	62 : 80	77 : 89	72 : 84	72 : 84
	2009-10	64 : 74	74 : 84	75 : 83	73 : 80

3.3.5 Table of expenditure take-up of Guarantee Credit only

	Year	Couples	Single Males	Single Females	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	109	91	72	85
	2009-10	115	96	74	89
Average Weekly Amounts Unclaimed	2008-09	91	67	61	72
	2009-10	79	72	59	68
Median Weekly Amounts Unclaimed	2008-09	76	56	44	56
	2009-10	68	60	42	58
					(Millions of Pounds)
Total Amount Claimed	2008-09	1,110	1,040	1,680	3,830
	2009-10	1,230	1,160	1,820	4,210
Total Range Unclaimed	2008-09	210 : 610	80 : 270	240 : 600	590 : 1,370
	2009-10	270 : 530	150 : 350	280 : 530	760 : 1,290
					(Percentages)
Take-Up Ranges	2008-09	65 : 84	80 : 93	74 : 87	74 : 87
	2009-10	70 : 82	77 : 89	77 : 87	77 : 85

3.3.6 Commentary on take-up of Guarantee Credit only

- Take-up of the Guarantee element was higher than Pension Credit using the caseload-based measure but due to overlapping ranges it is not possible to determine if take-up is higher for expenditure.

- For both the caseload and expenditure measures of take-up it is not possible to determine which family type had the highest level of take-up in 2009-10, since the intervals presented overlap. See charts 3.3.14 and 3.3.15 for a comparison between demographic groups and Pension Credit type.

- There was no evidence of a change in caseload take-up of Guarantee Credit for pensioner couples, although we cannot be certain due to changes in bias for this group.

- There was no evidence of a change in caseload take-up for single male pensioners.

- For single female pensioners the evidence suggests an increase in caseload take-up of 6 percentage points since 2008-09 but this should be treated with caution as the series has been historically volatile with high levels of bias.

- Despite changes in the take-up rates and range of Entitled Non-Recipients from 2008-09 to 2009-10 for all pensioners eligible for both the elements of Pension Credit, there was no strong evidence of a change in true take-up between the two reporting years. The changes are driven by a reduction in the upper take-up range, resulting in a narrower range in which true take-up lies. This tightening is driven by a reduction in the number of hidden recipients found in the population and the subsequent effect this has on the error ranges. This results in the derivation of a smaller take-up range. However it does not represent a change in true take-up. Please refer to section 1.1 for more details of what is meant by ‘true take-up’ and section 8.7.4 for more detail of what is meant by ‘hidden recipients’.

3.3.7 Table of caseload take-up of Guarantee and Savings Credit

	Year	Couples	Single Males	Single Females	All
					(Thousands)
Number of Recipients	2008-09	220	210	740	1,170
	2009-10	220	210	710	1,140
Range of Entitled Non-Recipients	2008-09	70 : 140	30 : 90	120 : 260	240 : 470
	2009-10	90 : 160	30 : 80	120 : 240	250 : 460
					(Percentages)
Take-Up Ranges	2008-09	62 : 76	70 : 87	74 : 86	71 : 83
	2009-10	58 : 71	71 : 87	75 : 86	71 : 82

3.3.8 Table of expenditure take-up of Guarantee and Savings Credit

	Year	Couples	Single Males	Single Females	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	63	43	46	49
	2009-10	67	45	48	51
Average Weekly Amounts Unclaimed	2008-09	42	32	35	36
	2009-10	46	39	40	42
Median Weekly Amounts Unclaimed	2008-09	36	26	29	30
	2009-10	38	29	31	32
					(Millions of Pounds)
Total Amount Claimed	2008-09	730	460	1,770	2,960
	2009-10	780	480	1,780	3,040
Total Range Unclaimed	2008-09	140 : 320	50 : 160	210 : 510	430 : 930
	2009-10	200 : 430	50 : 190	230 : 530	520 : 1,060
					(Percentages)
Take-Up Ranges	2008-09	69 : 83	74 : 91	78 : 89	76 : 87
	2009-10	65 : 80	72 : 90	77 : 89	74 : 85

3.3.9 Commentary on take-up of Guarantee and Savings Credit

- Take-up by those pensioners who were eligible for both the elements of Pension Credit was higher than take-up of just the Savings Credit component across all family types (Tables 3.3.10 and 3.3.11). There was no evidence of a difference compared to the take-up of the Guarantee component of Pension Credit (Tables 3.3.4 and 3.3.5). This is true for both the expenditure and caseload measures. See charts 3.3.14 and 3.3.15 for a comparison between demographic groups and Pension Credit type.

- By both caseload and expenditure it is not possible to say which family type had the highest or lowest take-up rate of Guarantee and Savings Credit due to overlapping ranges. However by caseload, as with Pension Credit overall, singles tend to have higher take-up than couples. See charts 3.3.14 and 3.3.15 for a comparison between demographic groups.

- Couples showed no evidence of change between 2008-09 and 2009-10, although we cannot be certain due to changes in bias for this group.

- Single males showed evidence of an increase in take-up, of 4 percentage points.

- Single females showed evidence of a small increase in take-up, of 1 percentage point.

- There was no evidence of a change in take-up for all pensioners eligible for both elements of Pension Credit.

3.3.10 Table of caseload take-up of Savings Credit only

	Year	Couples	Single Males	Single Females	All
					(Thousands)
Number of Recipients	2008-09	200	120	260	580
	2009-10	190	120	250	570
Range of Entitled Non-Recipients	2008-09	200 : 330	90 : 150	150 : 220	450 : 680
	2009-10	300 : 380	90 : 120	200 : 260	610 : 750
					(Percentages)
Take-Up Ranges	2008-09	38 : 50	44 : 56	54 : 64	46 : 56
	2009-10	34 : 39	50 : 58	49 : 55	43 : 48

3.3.11 Table of expenditure take-up of Savings Credit only

	Year	Couples	Single Males	Single Females	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	16	12	13	14
	2009-10	16	12	13	14
Average Weekly Amounts Unclaimed	2008-09	12	9	11	11
	2009-10	11	10	10	11
Median Weekly Amounts Unclaimed	2008-09	10	9	10	10
	2009-10	11	10	10	10
					(Millions of Pounds)
Total Amount Claimed	2008-09	160	80	170	410
	2009-10	160	80	170	410
Total Range Unclaimed	2008-09	110 : 210	40 : 80	80 : 130	240 : 400
	2009-10	170 : 240	40 : 70	100 : 150	320 : 430
					(Percentages)
Take-Up Ranges	2008-09	43 : 59	49 : 65	57 : 69	51 : 63
	2009-10	40 : 49	53 : 65	54 : 63	49 : 56

3.3.12 Commentary on take-up of Savings Credit only

- The Savings Credit element of Pension Credit had the lowest rate of take-up on both a caseload and expenditure measure.

- Take-up was around two thirds of Guarantee Credit only and joint Guarantee and Saving Credit take-up (Table 3.3.4, 3.3.5, 3.3.7, and 3.3.8). See charts 3.3.14 and 3.3.15 for a comparison between demographic groups and Pension Credit type.

- Caseload and expenditure ranges suggest that both single male and single female pensioners had take-up rates greater than those for pensioner couples. There was no evidence to suggest single males and females have different take-up rates. See charts 3.3.14 and 3.3.15 for a comparison between demographic groups.

- By family type, there was no evidence of a change in caseload take-up for pensioner couples, although we cannot be certain due to changes in bias for this group.

- There was evidence of an increase in caseload take-up for single male pensioners, of 12 percentage points, but this should be treated with caution as the series has been historically volatile.

- For single females there was no evidence of a change in caseload take-up since 2008-09.

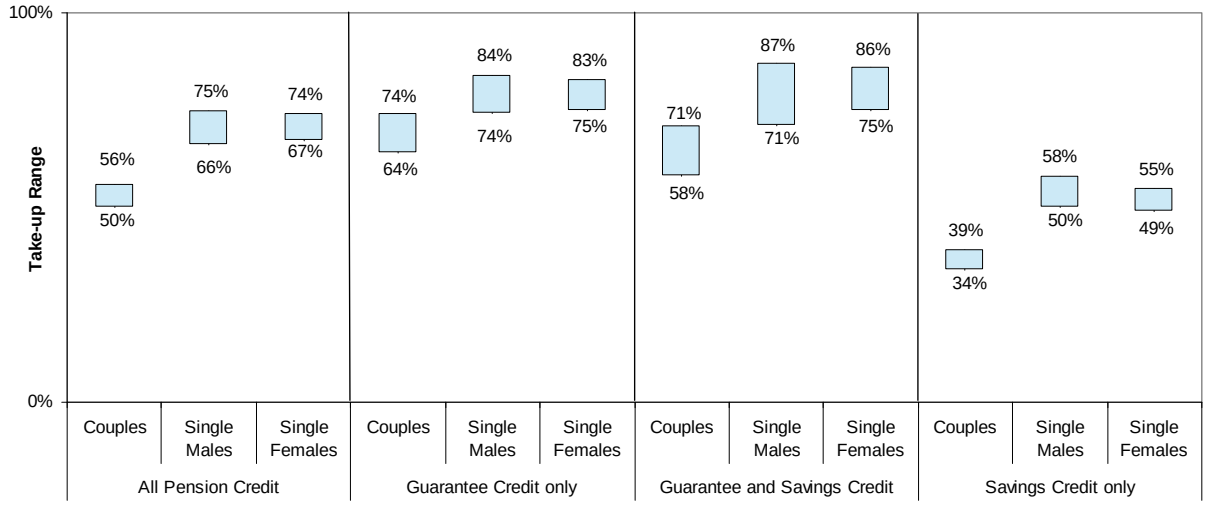
- Despite relatively large changes in the take-up rates and range of Entitled Non-Recipients from 2008-09 to 2009-10 for all pensioners eligible for Savings Credit only, there was no strong evidence of a change in true take-up between the two reporting years. The changes are driven by a reduction in the upper take-up range, resulting in a narrower range in which true take-up lies. This tightening is driven by a reduction in the number of hidden recipients found in the population and the subsequent effect this has on the error ranges. This results in the derivation of a smaller take-up range. However it does not represent a change in true take-up. Please refer to section 1.1 for more details of what is meant by ‘true take-up’ and section 8.7.4 for more detail of what is meant by ‘hidden recipients’.

3.3.13 Within year take-up of Pension Credit by Pension Credit type and family type for 2009-10

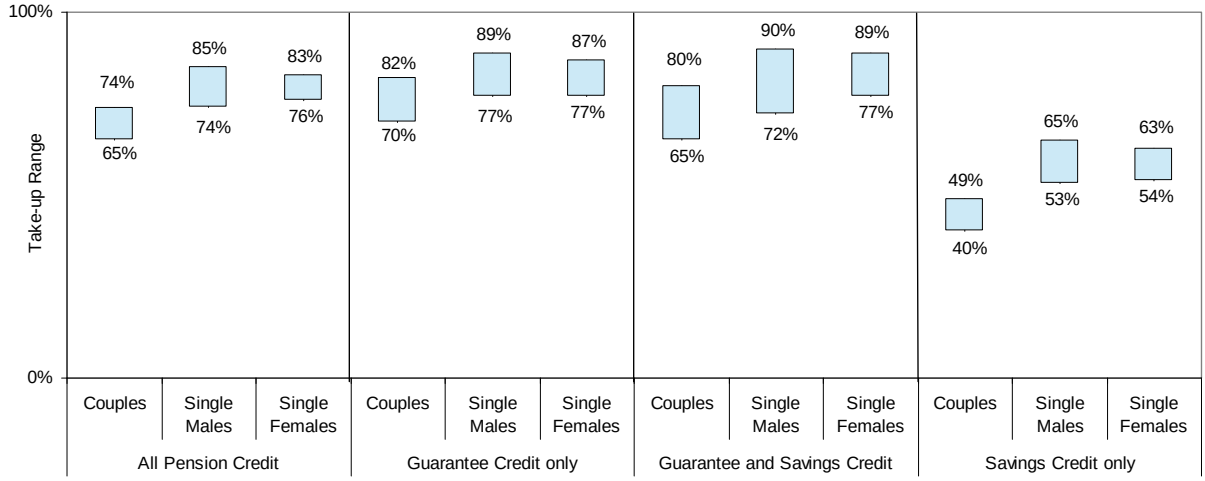
The charts below show the different demographic splits for which estimates of take-up are derived for 2009-10. They provide a comparison between the groups within the population.

Where ranges overlap it is not possible to say which group has higher or lower take-up and caution should be taken when interpreting groups with high bias; commentary related to these charts can be found with the associated tables above.

3.3.14 Caseload take-up of Pension Credit by Pension Credit type and family type for 2009-10



3.3.15 Expenditure take-up of Pension Credit by Pension Credit type and family type for 2009-10



3.4 Further analysis of those entitled to but not receiving Pension Credit

3.4.1 Introduction

In this section we describe the characteristics of those who were entitled to Pension Credit but were not receiving it (ENRs). The analyses are based on the FRS and have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits.

The analysis may include those who appear to be ENRs but will not all actually be ENRs, for example, due to them receiving a subsequent backdated Pension Credit claim (for more on this see Chapter 8). So, they should be treated with some caution. Nonetheless, where possible, results relate to those identified as ENRs in our modelling taking into account micro-level information indicating potential 'hidden' recipients of Pension Credit. In practice, some of those appearing to be ENRs will not be true ENRs, and some of true ENRs may not be identified in our modelling.

In the following further analysis, the sample of those entitled to Guarantee Credit only and Guarantee and Savings Credit have been combined and labelled as 'All Guarantee Credit'. This group corresponds to the group who were entitled to Minimum Income Guarantee prior to October 2003 and the two groups will therefore have similar characteristics.

Where appropriate, we contrast those identified as ENRs with the characteristics of those who were entitled to and in receipt of Pension Credit (ERs) and in doing so explore some of the possible causes of non-take-up. We have also drawn upon results of DWP social research in order to provide a better understanding of barriers to take-up.

3.4.2 Awareness of eligibility to Pension Credit

Research commissioned by the DWP in 2004 attempted to identify reasons why some pensioners were not taking up PC and tried to ascertain what steps DWP could take to remove these barriers. The report[7], number 234, focused on those who were most likely to be ENRs of Pension Credit. This quantitative research showed that one significant reason for non-take-up of Pension Credit was that some older people felt that they would not be eligible. In many cases the perception of ineligibility was based on a misunderstanding of the rules of entitlement with regard to home ownership, other pensions and savings.

More recent qualitative research, published in 2006 and carried out by IFF Research Ltd[8], has provided further insight into the barriers that exist to claiming Pension

[7] *Encouraging take-up: awareness of and attitudes to Pension Credit* Talbot, C., Adelman, L. & Lilly, R (ISBN 1 84 123 792 2) The report can be found at: http://research.dwp.gov.uk/asd/asd5/rports2005-2006/rrep234.pdf

[8] *Understanding the relationship between the barriers and triggers to claiming Pension Credit*. Bunt, K., Adams L. & Leo, C. (ISBN 1 84123 990 9) The report can be found at: http://research.dwp.gov.uk/asd/asd5/rports2005-2006/rrep336.pdf

Credit. This report, number 336, suggested that there are three primary barriers that prevent older people from claiming Pension Credit. These are:

- A belief that they are not eligible;
- A concern about how the receipt of Pension Credit would interact with other benefits they were currently receiving;
- A lack of awareness of Pension Credit.

The most common of these was older peoples' perception that they were ineligible, for example because they were working, were in receipt of a (small) occupational pension, that they could 'manage' or that they had been turned down for benefits in the past. Concern about interaction with other benefits was centred on the perception that they would be worse off if they applied. The latter barrier, a lack of awareness of Pension Credit, was relatively minor in comparison to the first two.

The research also found that there were a number of secondary barriers that worked to reinforce the decision not to apply. These centred on the application process and included such things as an unwillingness to disclose financial information and a complicated application process. Some of the issues described above, along with some others, are dealt with in the sections that follow.

3.4.3 Readers' notes

- Columns may not sum to 100 due to rounding.
- An equal percentage of ENRs and ERs in any one category does not mean that there is the same number of benefit units in that category.
- Some of the tables are based on combined 2008-09 and 2009-10 FRS data to make results more robust. For ethnicity 2007-08, 2008-09 and 2009-10 FRS data have been used.
- Social rented sector tenants include those who rent their accommodation from the Local Authority, or from a Registered Social Landlord or Housing Association.
- The private tenant category includes those who privately rent their accommodation and include a small number of households who live in a property rent free.
- Benefit units have been classified according to the ethnic group of the head of the benefit unit, which means that information about others in the benefit unit is lost. Despite three years data being used, the figures presented here should still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups.
- Where sample sizes are too small to show robust estimates '..' replaces figures.

3.4.4 Age profile

In this section we look at how age may affect the take-up of Pension Credit, particularly focussing on those ENRs and ERs who were aged 80 and over. For couples, age refers to the age of the oldest partner.

Pension Credit Type	Percentage of ENRs aged 80 or over	Percentage of ERs aged 80 or over
Pension Credit Overall		
Couples	23	22
Single Males	32	25
Single Females	46	46
All	34	36
All Guarantee Credit		
Couples	22	16
Single Males	22	19
Single Females	46	46
All	33	34
Savings Credit only		
Couples	24	35
Single Males	41	40
Single Females	45	47
All	35	42

- Overall ERs and ENRs of Pension Credit were equally likely to be aged 80 and over (around 35 per cent of both groups fell into this category). This means that overall there is not much variation in take-up by age.
- Couples show a similar pattern for Pension Credit overall but ENRs of Guarantee Credit show a slightly higher prevalence to be aged over 80 while ENRs of Savings Credit show a lower prevalence compared to ERs.
- For single males, ENRs were more likely to be aged 80 and over than ERs, which suggests that older single males may have had a lower take-up rate than their younger counterparts. This effect is not as clear for the individual Pension Credit components where single males are equally likely to be aged over 80.
- Single females follow a similar pattern to the whole population, with both ENRs and ERs being equally likely to be aged over 80 across all Pension Credit components.

3.4.5 Weekly entitlement

For all Pension Credit		
Weekly entitlement (Pounds per week)	**Percentage of ENRs**	**Percentage of ERs**
Less than £10	28	10
£10 but less than £20	22	15
£20 but less than £30	15	18
£30 but less than £40	11	20
£40 but less than £50	5	6
£50 but less than £60	4	4
£60 but less than £70	2	3
£70 but less than £80	3	4
£80 but less than £90	2	6
£90 but less than £100	1	2
£100 but less than £110	2	2
£110 but less than £120	0	1
£120 or more	5	8
Total	100	100

- ENRs of Pension Credit tended to be entitled to smaller amounts than their ER counterparts.
- The distribution of amounts unclaimed was heavily skewed towards smaller amounts.
- Overall Pension Credit ENRs were almost three times as likely as ERs to be in the 'less than £10' per week entitlement band.
- At the upper end of entitlement, ERs were more likely to be entitled to £60 per week or more compared with ENRs: 16 per cent of ENRs fell into this category compared to 26 per cent of ERs. Figures may not sum due to rounding.
- This supports other research findings[9] where pensioners prevalence to claim is affected by the amount they are entitled to.

[9] *Encouraging take-up: awareness of and attitudes to Pension Credit* Talbot, C., Adelman, L. & Lilly, R (ISBN 1 84 123 792 2) The report can be found at: http://research.dwp.gov.uk/asd/asd5/rports2005-2006/rrep234.pdf

For all Guarantee Credit		
Weekly entitlement (Pounds per week)	**Percentage of ENRs**	**Percentage of ERs**
Less than £10	3	2
£10 but less than £20	2	3
£20 but less than £30	21	19
£30 but less than £40	23	27
£40 but less than £50	11	9
£50 but less than £60	7	6
£60 but less than £70	5	4
£70 but less than £80	6	6
£80 but less than £90	4	8
£90 but less than £100	2	2
£100 but less than £110	4	2
£110 but less than £120	1	2
£120 or more	11	11
Total	100	100

- For those with entitlement to Guarantee Credit (with or without Savings Credit) the distribution of entitlement amounts is similar for those who claim, and those who do not.

For Savings Credit only		
Weekly entitlement (Pounds per week)	**Percentage of ENRs**	**Percentage of ERs**
Less than £2	11	5
£2 but less than £4	9	5
£4 but less than £6	11	7
£6 but less than £8	10	8
£8 but less than £10	11	8
£10 but less than £12	7	11
£12 but less than £14	8	8
£14 but less than £16	10	11
£16 but less than £18	9	12
£18 but less than £20	6	11
£20 or more	9	15
Total	100	100

- For Savings Credit only, while unclaimed amounts tended to be fairly evenly distributed, claimed amounts were skewed towards larger amounts.

- 24 per cent of ENRs were entitled to more than £16 per week compared to 37 per cent of ERs. Figures may not sum due to rounding.

3.4.6 Disabled people

Disability	Percentage of ENRs	Percentage of ERs
Living with no disabled people	43	29
Living with at least one disabled person	57	71
Total	100	100

- 71 per cent of ERs had at least one disabled person in the benefit unit (refer to the glossary in section 1.10 for the definition of disabled people), compared with 57 per cent of ENRs.
- This suggests that take-up of Pension Credit may have been higher among benefit units containing at least one disabled person.

3.4.7 Ethnicity

Ethnicity	Percentage of ENRs	Percentage of ERs
White	95	94
Mixed	..	..
Asian or Asian British	3	3
Black or Black British	1	2
Other	1	1
Total	100	100

Note: This table is based on a combination of 2007-08, 2008-09 and 2009-10 data.

- There were proportionately similar numbers of ENRs and ERs in each ethnic group, so it is not clear that there are differences in Pension Credit take-up by ethnicity.
- Figures for the mixed ethnic group have been suppressed due to very small sample sizes.

3.4.8 Marital status

Pension Credit Type	Percentage of ENRs	Percentage of ERs
Pension Credit Overall		
Couple - Cohabiting	..	..
Couple - Married	41	21
Single - Divorced, widowed, or separated	49	70
Single - Other	9	8
Total	100	100
All Guarantee Credit		
Couple - Cohabiting	..	..
Couple - Married	36	20
Single - Divorced, widowed, or separated	52	71
Single – Other	11	9
Total	100	100
Savings Credit only		
Couple - Cohabiting	..	..
Couple - Married	44	25
Single - Divorced, widowed, or separated	47	69
Single - Other	8	5
Total	100	100

- A greater proportion of ERs are divorced, widowed or separated compared with ENRs, which suggests that people in those circumstances have a higher rate of take-up.
- This ties in with other research[10] which found that pensioners who were divorced, separated or widowed were more likely to claim their entitlement to Pension Credit than others, perhaps suggesting that pensioners without the support of their former partner are likely to feel vulnerable and in need of help from others.
- Figures for cohabiting couples have been suppressed due to very small sample sizes.

[10] *Encouraging take-up: awareness of and attitudes to Pension Credit* Talbot, C., Adelman, L. & Lilly, R (ISBN 1 84 123 792 2) The report can be found at: http://research.dwp.gov.uk/asd/asd5/rports2005-2006/rrep234.pdf

3.4.9 Other benefit units

Pension Credit Type	Percentage of ENRs	Percentage of ERs
All Pension Credit		
Lives with other benefit units	15	15
Does not live with other benefit units	85	85
Total	100	100
All Guarantee Credit		
Lives with other benefit units	20	16
Does not live with other benefit units	80	84
Total	100	100
Savings Credit only		
Lives with other benefit units	11	14
Does not live with other benefit units	89	86
Total	100	100

- The table shows that ENRs and ERs have very similar distributions across pensioner benefit units living alone or with others for all Pension Credit and its components.

- Of the ENRs living in households with more than one benefit unit for all Pension Credit, 77 per cent lived with benefit units with more than £150 per week of gross income. This compares with 60 per cent in the case of ERs living with other benefit units.

- This suggests that the benefit units living with ERs tended to have less gross income (and therefore less resources to share) than their counterparts who lived with ENRs, however any affects this has on their prevalence to claim are not strongly evidenced in the table above.

3.4.10 Other income

Another possible explanation for non-take-up is that ENRs manage with other sources of income. The DWP research referenced above in 3.4.8 found that one reason for perceived ineligibility was that they were able to ‘cope’ with the income they had.

Other income (pounds per week)	Percentage of ENRs	Percentage of ERs
For couples		
Less than £190	24	33
£190 or more	76	67
Total	100	100
For singles		
Less than £125	30	39
£125 or more	70	61
Total	100	100

- For pensioner couples 76 per cent of Pension Credit ENRs and 67 per cent of ERs had other income exceeding £190 per week. This suggests that the

existence of significant amounts of other income may be a factor in their decision not to claim.

- For Pension Credit as a whole, 70 per cent of single pensioner ENRs had other income (excluding Housing Benefit and Council Tax Benefit) of more than £125 per week compared with 61 per cent of ERs. This suggests that, for single people entitled to Pension Credit, the existence of large amounts of other income may be a factor in their decision not to claim.

3.4.11 Other benefit income

The previous analysis includes income that is taken into account when working out entitlement to Pension Credit, so it focuses on those with smaller entitlements.

By defining 'other benefit income' as all the benefits that are disregarded when entitlement to Pension Credit is assessed (such as Housing Benefit, Council Tax Benefit, Attendance Allowance and Disability Living Allowance), then we can get some idea whether ENRs were more or less likely to try to manage with the benefit income they already had.

Other benefit income (pounds per week)	Percentage of ENRs	Percentage of ERs
For couples		
Less than £100	92	63
£100 or more	8	37
Total	100	100
For singles		
Less than £75	92	57
£75 or more	8	43
Total	100	100

- For pensioner couples, 8 per cent of ENRs and 37 per cent of ERs had benefit income that was greater than £100 per week.

- For single pensioners, 8 per cent of ENRs and 43 per cent of ERs had benefit income of more than £75 per week.

- This suggests that ENRs may not be trying to manage with the benefit income they already receive. In fact, those with higher benefit income may be more aware of their entitlement through contact with the benefits system and therefore more willing and likely to claim Pension Credit.

3.4.12 Other pensions

Pension Credit Type	Percentage of ENRs	Percentage of ERs
All Pension Credit		
Receipt of occupational pension	36	19
No receipt of occupational pension	64	81
Total	100	100
All Guarantee Credit		
Receipt of occupational pension	23	15
No receipt of occupational pension	77	85
Total	100	100
Savings Credit only		
Receipt of occupational pension	48	32
No receipt of occupational pension	52	68
Total	100	100

- The above table shows the percentage of ENRs and ERs who were in receipt of an occupational pension by Pension Credit type. It shows that ENRs were more likely to be in receipt of an occupational pension than ERs.
- This implies that those in receipt of an occupational pension had a lower rate of take-up than did those not in receipt of an occupational pension.
- There may be a perception that receipt of such an occupational pension leads to ineligibility for Pension Credit, which could contribute to a decision not to claim Pension Credit.

3.4.13 Region/Country

Region / Country	Percentage of ENRs	Percentage of ERs
North East	5	7
North West	11	14
Yorkshire and the Humber	9	11
East Midlands	9	7
West Midlands	9	10
East of England	11	7
London	11	10
South East	12	10
South West	9	8
Wales	6	5
Scotland	8	11
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- There were proportionately similar numbers of ENRs and ERs in each region, so it is not clear that there are differences in Pension Credit take-up by region.

3.4.14 Tenure

Tenure	Percentage of ENRs	Percentage of ERs
Social Rented Sector Tenants	15	48
Rented Privately	7	8
Owner Occupiers	78	45
Total	100	100

- This table provides evidence that take-up of Pension Credit was relatively high among Social Rented Sector Tenants and relatively low among those who are Owner Occupiers.

- It is possible that this large difference between ERs and ENRs who were Owner Occupiers was due to some pensioners believing that they were not eligible for Pension Credit if they own their own home.

3.4.15 Whether claiming Council Tax Benefit

Another difference between ERs and ENRs of Pension Credit was in the percentages who were claiming their entitlement to Council Tax Benefit (CTB) in addition to any entitlement that they had to Pension Credit.

Pension Credit Type	Percentage of PC ENRs	Percentage of PC ERs
Pension Credit Overall		
CTB entitled non-recipient	69	13
CTB entitled recipient	16	80
No entitlement to CTB	15	7
Total	100	100
All Guarantee Credit		
CTB entitled non-recipient	72	11
CTB entitled recipient	17	83
No entitlement to CTB	11	6
Total	100	100
Savings Credit only		
CTB entitled non-recipient	66	17
CTB entitled recipient	15	73
No entitlement to CTB	19	10
Total	100	100

- The table above shows that 80 per cent of ERs of Pension Credit as a whole were entitled to and receiving Council Tax Benefit compared with only 16 per cent of PC ENRs.

- 69 per cent of ENRs of Pension Credit were ENRs of Council Tax benefit compared with 13 per cent of entitled Pension Credit recipients.

- These proportions were broadly similar when looking at ENRs and ERs of All Guarantee Credit and Savings Credit only separately.

- This shows a strong relationship between entitled non-receipt of Pension Credit and entitled non-receipt of Council Tax Benefit.

- The result for Pension Credit overall is consistent with the fact that recipients of the Guarantee Credit (with or without Savings Credit) who have a Council Tax liability are automatically entitled to Council Tax Benefit under benefit rules.

3.4.16 Whether claiming Housing Benefit

Another difference between ERs and ENRs of Pension Credit was in the percentages who were claiming their entitlement to Housing Benefit (which is only available to renters) in addition to any entitlement that they had to Pension Credit.

Pension Credit Type	Percentage of PC ENRs	Percentage of PC ERs
Pension Credit Overall		
HB entitled non-recipient	9	3
HB entitled recipient	8	49
No entitlement to HB	83	48
Total	100	100
All Guarantee Credit		
HB entitled non-recipient	11	3
HB entitled recipient	8	53
No entitlement to HB	81	44
Total	100	100
Savings Credit only		
HB entitled non-recipient	8	3
HB entitled recipient	7	38
No entitlement to HB	85	59
Total	100	100

- This shows that that 49 per cent of ERs of Pension Credit as a whole were entitled to and receiving Housing Benefit compared with only 8 per cent of PC ENRs.

- Of ENRs of Pension Credit 9 per cent were ENRs of Housing Benefit compared with 3 per cent of entitled Pension Credit recipients. These proportions were broadly similar when looking at ENRs and ERs of All Guarantee Credit and Savings Credit only separately.

- This result is consistent with the fact that recipients of Guarantee Credit who rent their home are automatically entitled to Housing Benefit under benefit rules and with the low take-up of Pension Credit among owner occupiers documented in Table 3.4.14 above.

3.4.17 Below 60 per cent of contemporary median income

This section provides an analysis of the percentage of ENRs and ERs of Pension Credit who were living in low-income households.

One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. Measures of low income are presented on two bases, Before Housing Costs (BHC) and After Housing Costs (AHC) are deducted from income.

This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[11]. Further details are available within the introduction at 1.8.6.

3.4.18 Table of the percentage of ENRs and ERs of Pension Credit below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pension Credit Overall	**ENRs**	2008-09	62	54
		2009-10	66	54
	ERs	2008-09	30	24
		2009-10	28	27

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- This shows that, in 2009-10, 66 per cent of pensioners who were entitled to but were not receiving Pension Credit lived in low-income households on the BHC measure. This compares to 54 per cent on an AHC basis. For ERs of the benefit, 28 per cent and 27 per cent were in low-income households on the BHC and AHC bases respectively.
- ERs of Pension Credit were considerably less likely to fall below the 60 per cent low-income threshold for all Pension Credit and its components.

[11] *Households Below Average Income 2009-10* (DWP) 2011 The report can be found at: http://research.dwp.gov.uk/asd/index.php?page=hbai

3.4.19 Table of the percentage of ENRs and ERs of All Guarantee Credit below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
All Guarantee Credit	**ENRs**	2008-09	71	71
		2009-10	70	71
	ERs	2008-09	31	29
		2009-10	29	30

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- On a Before Housing Costs (BHC) basis, 70 per cent of ENRs of All Guarantee Credit were in households below 60 per cent of median income in 2009-10, whereas just 29 per cent of ERs of All GC were in this position. These proportions were similar on the After Housing Costs (AHC) measure.

3.4.20 Table of the percentage of ENRs and ERs of Savings Credit only below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Savings Credit only	**ENRs**	2008-09	55	37
		2009-10	62	38
	ERs	2008-09	27	10
		2009-10	25	16

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- The estimates of ENRs and ERs in low income for Savings Credit only Before and After Housing Costs were lower than for All Guarantee Credit and Pension Credit as a whole.

- In the latest year 62 per cent of ENRs were below 60 per cent of contemporary median income on the Before Housing Costs (BHC) measure; compared to 38 per cent After Housing Costs (AHC).

3.5 Trends in take-up over time

Below there are a number of time series charts for the trend in take-up of Pension Credit by component since its introduction in 2003-04. Further background information can be found in the introduction in 1.8.7.

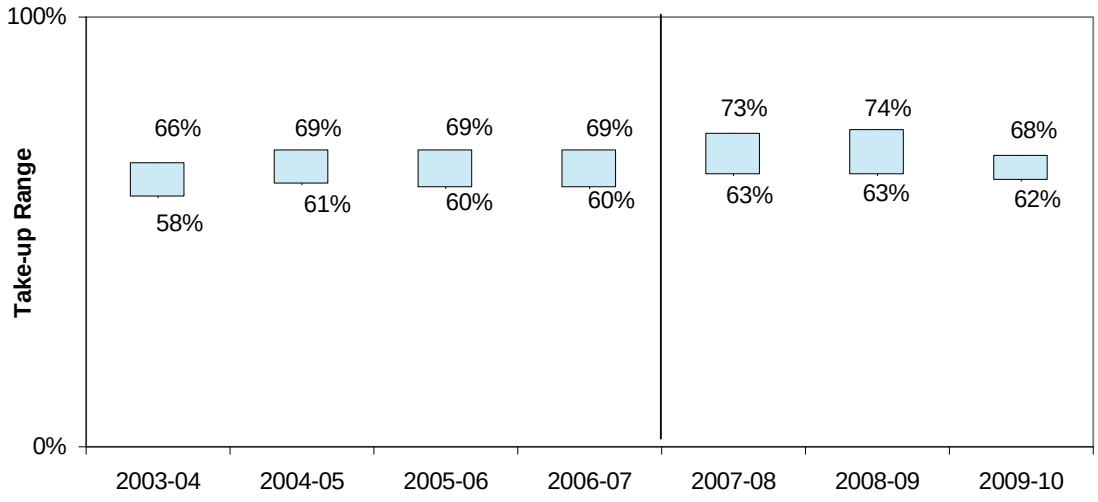
The break in the time series between 2006-07 and 2007-08, shown on the graphs below, represents the change in the modelling approach as described in Chapter 7. The impacts this change had on the results for 2007-08 and 2008-09 are shown in full for each Pension Credit component in section 7.3.

Despite apparently large changes in the take-up rates from 2008-09 to 2009-10 for All Pension Credit, Guarantee Credit only and Savings Credit only, there was no strong evidence of a change in true take-up between the two reporting years for any of the three splits.

The changes are driven by a reduction in the upper take-up range, resulting in a narrower range in which true take-up lies. This tightening is driven by a reduction in the number of hidden recipients found in the population and the subsequent effect this has on the error ranges. This results in the derivation of a smaller take-up range. However it does not represent a change in true take-up. Please refer to section 1.1 for more details of what is meant by ‘true take-up’ and section 8.7.4 for more detail of what is meant by ‘hidden recipients’.

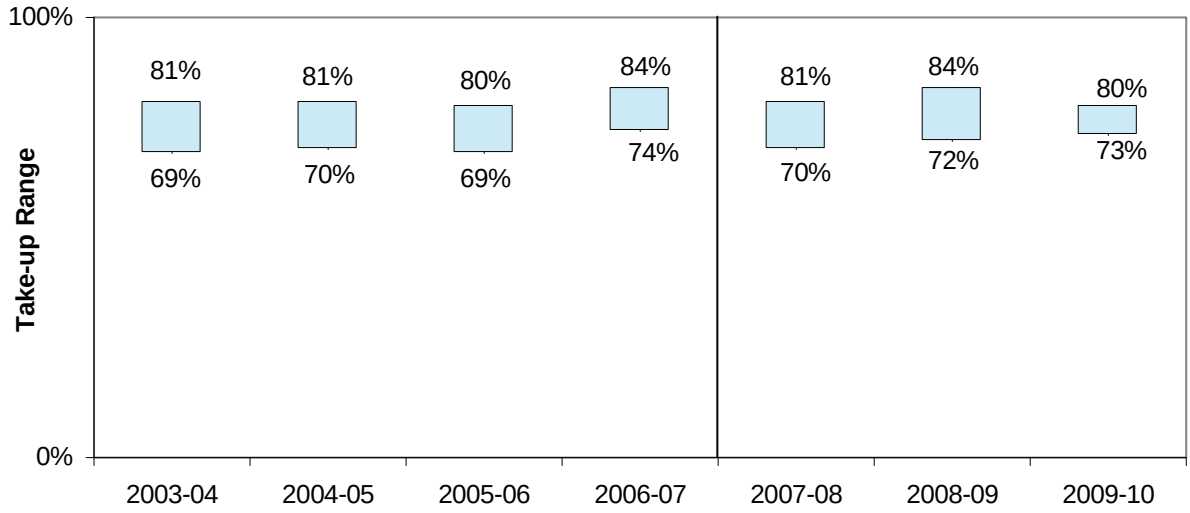
To understand in more detail what is meant by ‘change in bias’ in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

3.5.1 All Pension Credit



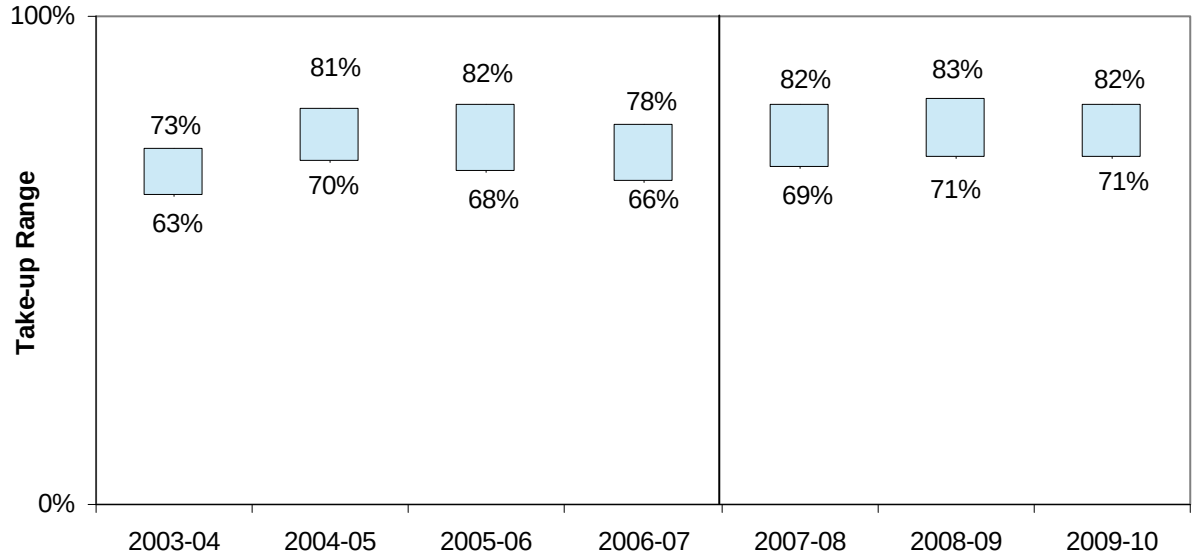
- Between 2003-04 and 2009-10 there was evidence of an increase in take-up of around 10 percentage points for Pension Credit as a whole although there has also been a slight change in bias over the period.
- There was no conclusive evidence of change between 2008-09 and 2009-10.

3.5.2 Guarantee Credit only



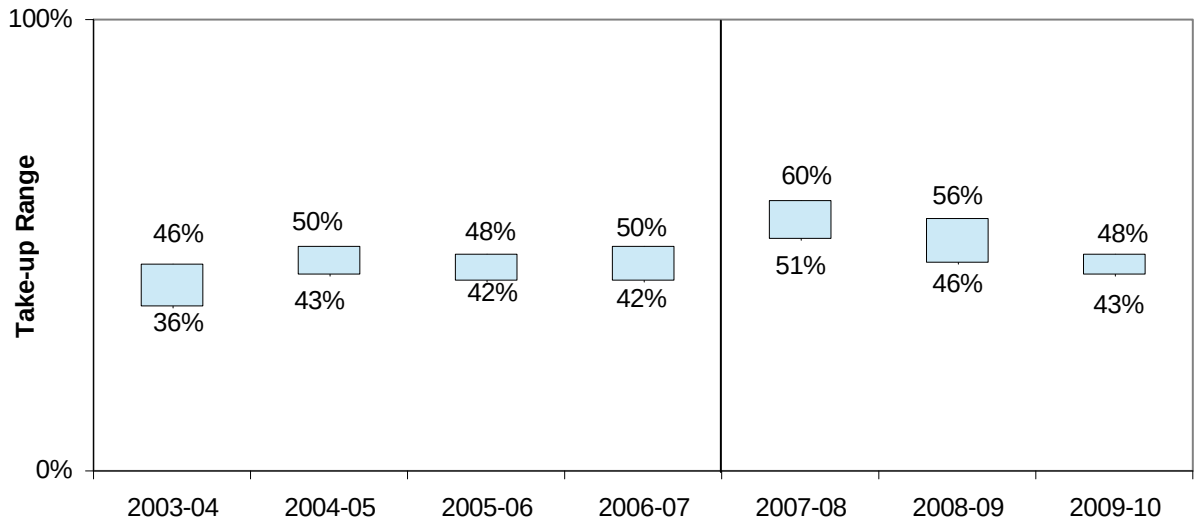
- Since 2003-04, there was evidence of an increase of around 8 percentage points in the take-up of the Guarantee Credit element of Pension Credit, although we cannot be certain due to changes in bias over the period.
- There was no evidence of change between 2008-09 and 2009-10.

3.5.3 Guarantee and Savings Credit



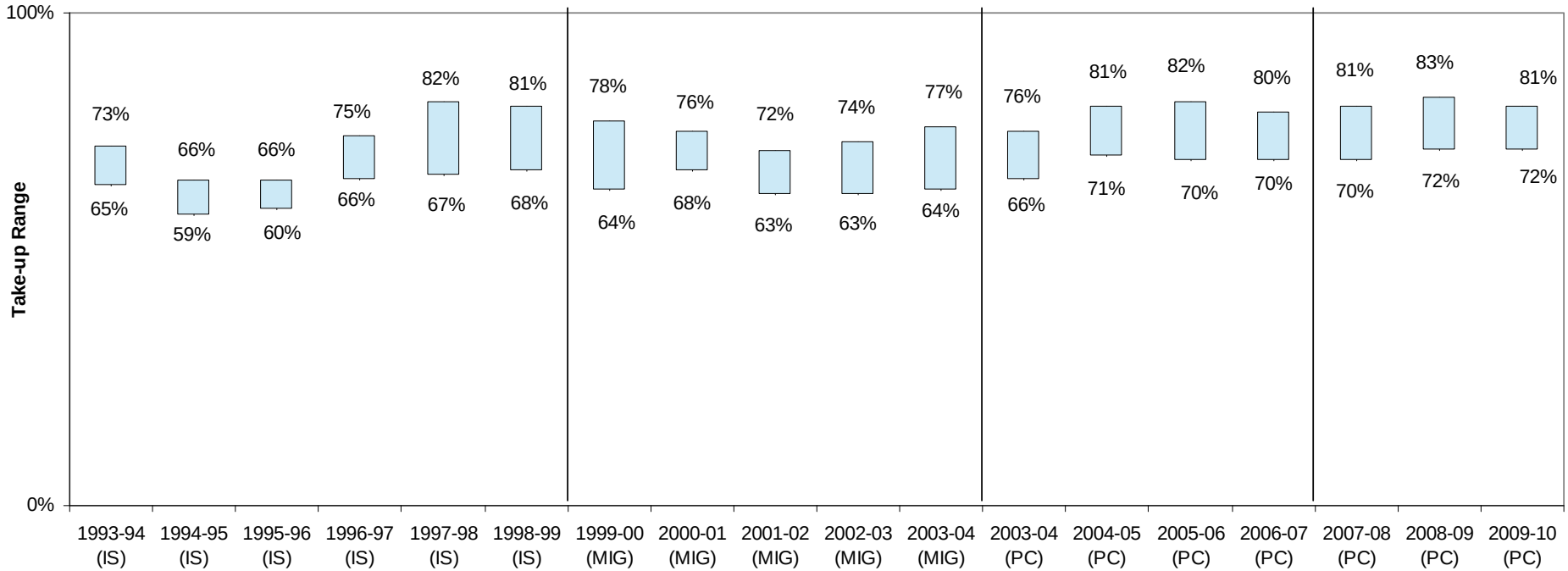
- Since 2003-04, there was evidence to suggest that there was an increase in take-up of the Guarantee and Savings Credit elements of Pension Credit of around 20 percentage points, although we cannot be certain due to changing levels of bias for this group.
- There was no evidence of change between 2008-09 and 2009-10.

3.5.4 Savings Credit only



- Since 2003-04, there was evidence to suggest an increase in take-up, by around 5 percentage points, for the Savings Credit element of Pension Credit, though changes in bias make it hard to be certain.
- There was no evidence of change between 2008-09 and 2009-10.

3.5.5 Income Support/Minimum Income Guarantee and All Guarantee Credit



- The chart shows the take-up of Income Support, the Minimum Income Guarantee and the Guarantee Credit element of Pension Credit (with or without the Savings Credit element) over the period 1993-94 to 2009-10. Caution should be employed when interpreting the chart, as the benefits and biases associated with measuring the take-up of these benefits has changed over time.

- Since the introduction of Pension Credit in 2003-04, there was evidence to suggest an increase in take-up, by around 15 percentage points, for all Guarantee Credit.

- There has been no evidence of change from 2008-09 to 2009-10.

4 Housing Benefit

4.1 Key results

4.1.1 All Housing Benefit

- Caseload take-up: between 78 per cent and 84 per cent overall.
- Expenditure take-up: between 84 per cent and 90 per cent overall.
- Change since 2008-09: there was no evidence of a change in overall caseload take-up between 2008-09 and 2009-10.

4.1.2 Pensioners

- Caseload take-up: between 79 per cent and 86 per cent.
- Expenditure take-up: between 84 per cent and 90 per cent.
- Change since 2008-09: there was no evidence of any change in caseload take-up.

4.1.3 Non-Pensioners

- Caseload take-up: between 77 per cent and 84 per cent.
- Expenditure take-up: between 84 per cent and 90 per cent.
- Change since 2008-09: there was no evidence of any change in caseload take-up.

4.2 Introduction

4.2.1 Background

The description that follows relates to the benefit rules in 2008-09 and 2009-10, since these years are the focus of this chapter. Since 2009-10 there may have been changes which are not included in this information.

Housing Benefit is paid to people on low incomes who rent their home. It is paid to renters who claim the benefit once assessed as being eligible, whether or not the claimant is in full-time work, and may be paid alongside other means-tested benefits or on its own. Those on the Guarantee Credit element of Pension Credit, Income Support, Jobseeker's Allowance (Income-Based) or Employment and Support Allowance (Income-Related) are automatically eligible for full Housing Benefit.

In 2009-10 all non-pensioners with capital holdings of £6,000 or more may have seen their Housing Benefit reduced as capital is taken into account when assessing eligibility. Those who had capital in excess of £16,000 were not entitled to Housing Benefit.

The rules for pensioners changed from 2 November 2009; the level of capital a pensioner can hold before it is taken into account when assessing eligibility increased from £6,000 to £10,000. This has the effect of increasing the amount some pensioners with capital holdings of more than £6,000 may be entitled to and may make some of these pensioners entitled when previously they would not have been. The maximum capital Pensioners could hold before being ineligible for Housing Benefit remained the same at £16,000.

From 2 November 2009 child benefit was no longer taken into account as income when assessing entitlement to Housing Benefit, prior to this it counted in full. This change has the effect of increasing Housing Benefit entitlement for anyone receiving Child Benefit and may increase the number of people entitled to Housing Benefit.

Local Housing Allowance (LHA) was introduced from 7 April 2008, any new Housing Benefit claimants or those who moved homes after this date were assessed under the new Local Housing Allowance rules. From 6 April 2009 a cap of five bedrooms was introduced to the Local Housing Allowance (LHA) rates. The LHA rates set the maximum amount of Housing Benefit a person is entitled to based on the median average rent by each Broad Market rental Area. This means some LHA claimants may have their entitlement reduced if they are privately renting a house with 6 or more bedrooms and their rent is more than the 5 bedroom rate.

The results shown in this chapter incorporate these changes; the following statistics should therefore be interpreted with this context in mind.

4.2.2 Readers' notes

- Take-up statistics for Housing Benefit are presented in three main sets of tables. The first set, 4.3.1 and 4.3.2, present take-up estimates by caseload and expenditure respectively for different family types.

- The second set, 4.3.4 and 4.3.5, show caseload and expenditure take-up estimates in terms of different tenure arrangements. Note that the tenure type social rented sector tenants include those renting from Local Authorities, Housing Associations and Registered Social Landlords.

- Tables 4.3.7 and 4.3.8 present take-up estimates for benefit units where at least one member is in employment, or where nobody in the benefit unit is in employment. Readers should note that these tables show estimates for non-pensioners only, and "in employment" is defined as where the benefit unit is recorded as containing anybody who has received any earned income or at the time of interview or Housing Benefit claim was working for any number of hours. This also includes anybody who is part-time self-employed; those that are full-time self-employed are excluded from all analysis as detailed in section 8.6.3.

- To understand in more detail what is meant by 'change in bias' in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

4.2.3 Technical note on the results in this chapter

Since the last publication there has been a change in our approach to modelling entitlement to Housing Benefit along with all other benefits in this publication. The figures have been revised for 2007-08 and 2008-09 using this new approach and it is these figures that are presented in this chapter and which should be used for all future reference. See Chapter 7 for the full details of this change and the revisions.

It has not proved possible to adjust the estimates for the potential problem of capital misreporting highlighted in the DWP research report "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"[12]. As a result, estimates for take-up amongst pensioners may be understated. See Chapter 8 for further details.

In addition to the deficiencies that may affect estimates of numbers of Entitled Non-Recipients (ENRs), it is possible that the estimates presented may understate take-up as a result of undercounting all recipients. This is because of a suspected undercount in the administrative caseload figures, arising from a number of claims awaiting a final decision who go on to receive an award that may be backdated to the point of entitlement. The majority of these claims are new claims, although some are existing claims that are being renewed.

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[12] *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (DWP) 2003 The report can be found at:
http://research.dwp.gov.uk/asd/asd5/rports2003-2004/rrep197.asp

Estimates of take-up, expressed as a percentage rate, may be depressed by up to 0.5 percentage points for singles with children, up to 1 percentage point for non-pensioners without children and 2 percentage points for couples with children. For social rented sector tenants, the estimates may be depressed by up to 0.5 percentage points and for private renters by up to 1 percentage point.

Additionally, the estimates may further understate take-up for pensioners as a result of a change to backdating rules that was introduced halfway through 2003-04, which meant that Housing Benefit could be backdated more readily than previously. See Chapter 8 for further details. It is not possible to say whether the suspected undercount, accounted for in the previous paragraph, has captured the effect of the new backdating rules.

Further to this, particular caution should be taken with expenditure-based results for pensioners. This is because analysis shows that there is a large difference between the amounts of modelled entitlement and amounts claimed for those in receipt for this group.

Recipient totals in this publication may differ from those in other published sources due to a number of adjustments made to the recipient counts in order to make them comparable to the population we are able to produce estimates for. Full detail of these adjustments can be found in section 8.6.

4.3 Results

4.3.1 Table of caseload take-up of Housing Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Singles with Children	Non-Pensioners without Children	
							(Thousands)
Number of Recipients	2008-09	1,510	2,540	310	910	1,320	4,030
	2009-10	1,480	2,600	330	910	1,350	4,070
Range of Entitled Non-Recipients	2008-09	240 : 410	450 : 810	110 : 210	120 : 220	200 : 410	700 : 1,200
	2009-10	240 : 390	490 : 780	140 : 220	70 : 150	260 : 440	750 : 1,140
							(Percentages)
Take-Up Ranges	2008-09	79 : 86	76 : 85	60 : 74	80 : 89	76 : 87	77 : 85
	2009-10	79 : 86	77 : 84	60 : 71	86 : 92	75 : 84	78 : 84

4.3.2 Table of expenditure take-up of Housing Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Singles with Children	Non-Pensioners without Children	
							(Pounds)
Average Weekly	2008-09	66	81	88	89	73	75
Amounts Claimed	2009-10	69	84	91	91	77	78
Average Weekly	2008-09	49	52	57	49	50	51
Amounts Unclaimed	2009-10	48	50	55	58	44	50
Median Weekly	2008-09	46	44	52	40	42	45
Amounts Unclaimed	2009-10	47	40	45	48	33	45
							(Millions of Pounds)
Total Amount	2008-09	5,150	10,710	1,420	4,240	5,040	15,770
Claimed	2009-10	5,320	11,340	1,570	4,340	5,430	16,600
Total Range	2008-09	560 : 1,100	1,130 : 2,320	290 : 700	260 : 630	460 : 1,190	1,760 : 3,310
Unclaimed	2009-10	560 : 1,030	1,210 : 2,160	350 : 690	190 : 510	540 : 1,120	1,850 : 3,100
							(Percentages)
Take-Up Ranges	2008-09	82 : 90	82 : 90	67 : 83	87 : 94	81 : 92	83 : 90
	2009-10	84 : 90	84 : 90	69 : 82	90 : 96	83 : 91	84 : 90

4.3.3 Commentary on take-up of Housing Benefit by family type

- Couples with children had lower take-up than pensioners, singles with children and non-pensioners without children. These results held on both the caseload and expenditure measures of take-up. It is not possible to state which group had the highest level of take-up amongst the family types due to overlapping ranges on both caseload and expenditure measures. See charts 4.3.11 and 4.3.12 for a comparison between demographic groups.

- There was no evidence of a change in take-up for pensioners overall this year.

- There was no evidence of a change in take-up for non-pensioners overall.

- There was no evidence of a change in take-up for couples with children.

- There was evidence of an increase in caseload take-up of around 4 percentage points for singles with children between 2008-09 and 2009-10.

- There was evidence of a decrease in caseload take-up of around 2 percentage points for non-pensioners without children.

- There was no conclusive evidence to suggest there had been an overall change in the take-up of Housing Benefit between 2008-09 and 2009-10.

4.3.4 Table of caseload take-up of Housing Benefit by tenure type

	Year	Social Rented Sector Tenants	Rented Privately	All
				(Thousands)
Number of Recipients	2008-09	3,030	1,010	4,030
	2009-10	2,930	1,140	4,070
Range of Entitled Non-Recipients	2008-09	300 : 530	390 : 690	700 : 1,200
	2009-10	310 : 530	420 : 640	750 : 1,140
				(Percentages)
Take-Up Ranges	2008-09	85 : 91	59 : 72	77 : 85
	2009-10	85 : 90	64 : 73	78 : 84

4.3.5 Table of expenditure take-up of Housing Benefit by tenure type

	Year	Social Rented Sector Tenants	Rented Privately	All
				(Pounds)
Average Weekly Amounts Claimed	2008-09	67	99	75
	2009-10	70	101	78
Average Weekly Amounts Unclaimed	2008-09	42	61	51
	2009-10	43	56	50
Median Weekly Amounts Unclaimed	2008-09	40	52	45
	2009-10	42	47	45
				(Millions of Pounds)
Total Amount Claimed	2008-09	10,590	5,190	15,770
	2009-10	10,610	5,990	16,600
Total Range Unclaimed	2008-09	610 : 1,230	1,130 : 2,340	1,760 : 3,310
	2009-10	670 : 1,250	1,130 : 2,000	1,850 : 3,100
				(Percentages)
Take-Up Ranges	2008-09	90 : 95	69 : 82	83 : 90
	2009-10	89 : 94	75 : 84	84 : 90

4.3.6 Commentary on take-up of Housing Benefit by tenure type

- Social rented sector tenants had a higher level of take-up of Housing Benefit than private renters when looking at both the caseload and expenditure measures of take-up. See chart 4.3.11 and 4.3.12 for a comparison between demographic groups.

- There was no evidence to suggest that there was a change in take-up by those in social rented sector accommodation over the same period.

- There was no evidence to conclude that there was a change in take-up by those in private rented accommodation since 2008-09.

- Social rented sector tenants had smaller amounts of claimed and unclaimed Housing Benefit than private renters.

4.3.7 Table of caseload take-up of Housing Benefit by employment status

	Year	In Employment	Not in Employment	All Non-Pensioners
				(Thousands)
Number of Recipients	2008-09	360	2,190	2,540
	2009-10	410	2,190	2,600
Range of Entitled Non-Recipients	2008-09	350 : 600	90 : 220	450 : 810
	2009-10	420 : 620	70 : 170	490 : 780
				(Percentages)
Take-Up Ranges	2008-09	38 : 51	91 : 96	76 : 85
	2009-10	40 : 50	93 : 97	77 : 84

4.3.8 Table of expenditure take-up of Housing Benefit by employment status

	Year	In Employment	Not in Employment	All Non-Pensioners
				(Pounds)
Average Weekly Amounts Claimed	2008-09	69	83	81
	2009-10	73	86	84
Average Weekly Amounts Unclaimed	2008-09	44	77	52
	2009-10	40	84	50
Median Weekly Amounts Unclaimed	2008-09	33	72	44
	2009-10	30	79	40
				(Millions of Pounds)
Total Amount Claimed	2008-09	1,290	9,460	10,710
	2009-10	1,560	9,790	11,340
Total Range Unclaimed	2008-09	730 : 1,470	330 : 970	1,130 : 2,320
	2009-10	810 : 1,390	300 : 810	1,210 : 2,160
				(Percentages)
Take-Up Ranges	2008-09	47 : 64	91 : 97	82 : 90
	2009-10	53 : 66	92 : 97	84 : 90

4.3.9 Commentary on take-up of Housing Benefit by employment status

- Estimates suggest that those not in employment had far higher take-up of Housing Benefit than those who were employed in terms of both caseload and expenditure measures of take-up. See chart 4.3.11 and 4.3.12 for a comparison between demographic groups.

- There was no conclusive evidence to suggest there was a change in take-up since 2008-09 by those in employment, although we cannot be certain due to changes in bias for this group.

- Over the same period, there was no evidence of a change in take-up by those not in employment.

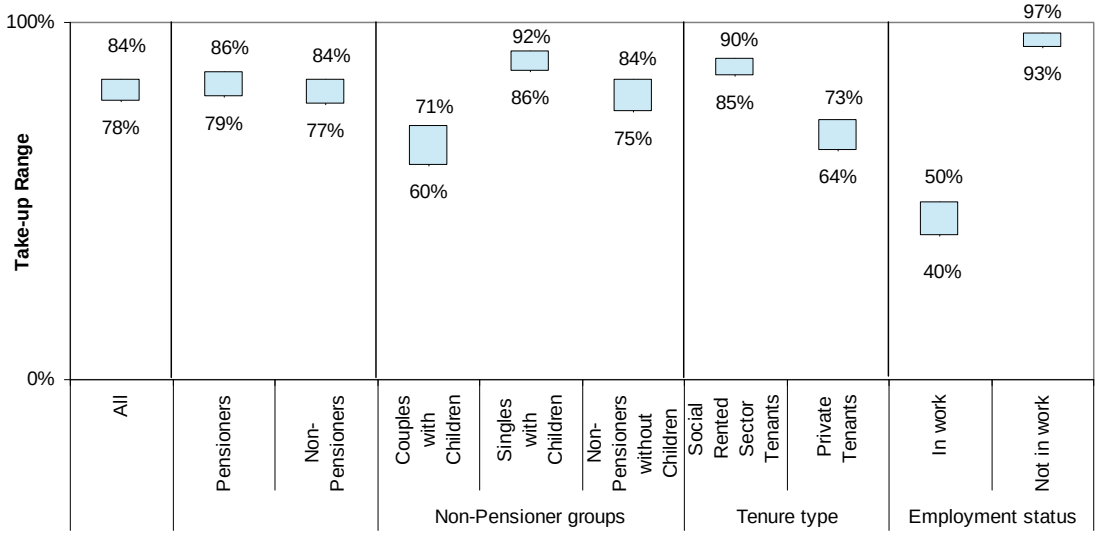
- Those in employment had substantially smaller average amounts of claimed and unclaimed Housing Benefit compared with those not in employment. The difference is most pronounced for unclaimed amounts.

4.3.10 Within year take-up of Housing Benefit by family type, tenure type and employment status for 2009-10

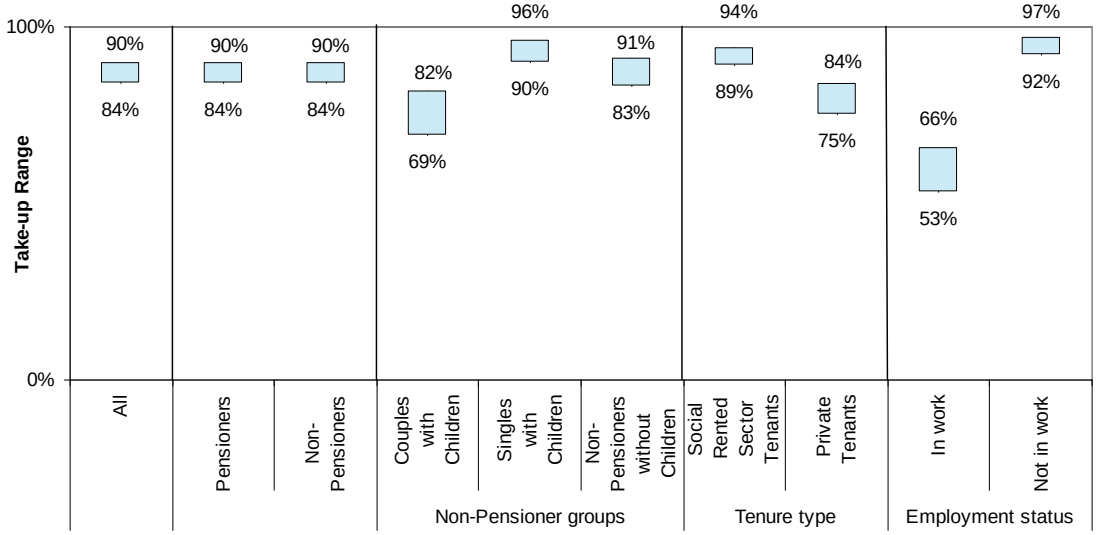
The charts below show the different demographic splits for which estimates of take-up are derived for 2009-10. They provide a comparison between the groups within the population.

Where ranges overlap it is not possible to say which group has higher or lower take-up and caution should be taken when interpreting groups with high bias; commentary related to these charts can be found with the associated tables above.

4.3.11 Caseload take-up of Housing Benefit by family type, tenure type and employment status for 2009-10



4.3.12 Expenditure take-up of Housing Benefit by family type, tenure type and employment status for 2009-10



4.4 Further analysis of those entitled to but not receiving Housing Benefit

4.4.1 Introduction

In this section we describe the characteristics of those who were entitled to Housing Benefit but were not receiving it (Entitled Non-Recipients, or ENRs). Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled to and in receipt (Entitled Recipients, or ERs) of Housing Benefit and in doing so explore some of the possible causes of non-take-up. The tables show the percentage of ENRs and ERs against different characteristic groupings.

These analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits. Within the data there will be those who appear to be ENRs but will not all actually be ENRs and vice versa (for more on this see Chapter 8). Accordingly, these analyses should be treated with some caution.

4.4.2 Readers' notes

- Columns may not sum to 100 due to rounding.
- An equal percentage of ENRs and ERs in any one category does not mean that there is the same number of benefit units in that category.
- Some of the tables are based on a combined 2008-09 and 2009-10 FRS data to make results more robust, for ethnicity 2007-08, 2008-09 and 2009-10 FRS data has been used.
- Social rented sector tenants include those who rent their accommodation from the Local Authority, or from a Registered Social Landlord or Housing Association.
- The private tenant category includes those who privately rent their accommodation and include a small number of households who live in a property rent free.
- Benefit units have been classified according to the ethnic group of the head of the benefit unit, which means that information about others in the benefit unit is lost. Despite three years data being used, the figures presented here should still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups, especially in the case of benefit units headed by a person of mixed ethnicity.

4.4.3 Weekly entitlement

For pensioners	Percentage of ENRs	Percentage of ERs
Less than £10	10	1
£10 but less than £20	10	3
£20 but less than £30	12	3
£30 but less than £40	11	5
£40 but less than £50	13	12
£50 but less than £60	12	21
£60 but less than £70	8	18
£70 but less than £80	8	14
£80 but less than £90	6	9
£90 or more	10	14
Total	100	100

For non-pensioners	Percentage of ENRs	Percentage of ERs
Less than £10	16	1
£10 but less than £20	12	2
£20 but less than £30	13	3
£30 but less than £40	11	3
£40 but less than £50	7	7
£50 but less than £60	8	15
£60 but less than £70	8	19
£70 but less than £80	6	15
£80 but less than £90	4	10
£90 but less than £100	4	8
£100 but less than £110	3	5
£110 or more	8	12
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- Similar to other income-related benefits, pensioners and non-pensioners who did not claim Housing Benefit tended to be entitled to smaller amounts than those who did claim.

- One possible explanation for this is that some people may not have considered it worthwhile claiming small amounts of benefit. Another explanation is that those close to the edge of entitlement, and therefore entitled to only small amounts, may not realise that they are entitled.

4.4.4 Disabled people

For pensioners	Percentage of ENRs	Percentage of ERs
Living with no disabled people	40	26
Living with at least one disabled person	60	74
Total	100	100

For non-pensioners	Percentage of ENRs	Percentage of ERs
Living with no disabled people	78	48
Living with at least one disabled person	22	52
Total	100	100

- 74 per cent of pensioner ERs had at least one disabled person in the benefit unit compared with 60 per cent of pensioner ENRs (please refer to the glossary in section 1.10 for the definition of 'disabled'). For non-pensioner benefit units, the equivalent figures were 52 per cent and 22 per cent respectively.

- These figures may indicate that take-up of Housing Benefit may be higher among those living with at least one disabled person.

4.4.5 Ethnicity

Ethnicity	Percentage of ENRs	Percentage of ERs
White	83	90
Mixed	2	2
Asian or Asian British	5	2
Black or Black British	6	4
Other	4	2
Total	100	100

Note: This table is based on a combination of 2007-08, 2008-09 and 2009-10 data.

- 83 per cent ENRs were White compared to 90 per cent of ERs. This suggests that take-up may have been higher for the White population than for other ethnicities.

- There was no clear evidence to suggest differences in take-up between other ethnicities.

4.4.6 Marital status

Marital Status	Percentage of ENRs	Percentage of ERs
Single	58	78
Couple - Cohabiting	12	6
Couple - Married	30	16
Total	100	100

- There were proportionately more ENRs than ERs who were married or cohabiting couples and the opposite was true of singles.
- This indicates that take-up may have been lower for married or cohabiting couples than for singles.

4.4.7 Hours worked

There is some evidence to suggest that people assume they would not be eligible for Housing Benefit once they were working[13]. The lack of awareness of the benefit rules could have prevented some from claiming.

Number of hours worked	Percentage of ENRs	Percentage of ERs
No-one in the benefit unit works	41	89
At least one adult working up to 16 hours per week	2	3
At least one adult working 16 or more hours per week	57	9
Total	100	100

- The definition of full-time work used in benefit regulations is anyone working 16 hours or more per week.
- 57 per cent of ENRs had at least one adult working 16 or more hours per week compared with only 9 per cent of ERs.
- However, some of this difference may have been due to those with one adult working 16 or more hours per week having smaller entitlements.
- We see that ENRs of Housing Benefit were less likely to have no adults working compared with their ER counterparts and much more likely to have at least one adult working 16 or more hours per week.

[13] *Into work? The impact of housing costs and the benefit system on people's decision to work* (1995) Ford, J., Kempson, E. and England, J. Joseph Rowntree Foundation, York.

4.4.8 Recent change in accommodation

Another possible cause of non-take-up of Housing Benefit is following a change of accommodation, whereby those who are entitled may have yet to claim their entitlement. We can look for supporting evidence for this from the FRS by comparing the length of time ENRs and ERs lived in their current accommodation.

Time moved into property	Percentage of ENRs	Percentage of ERs
Less than six months ago	50	44
Six or more months ago	50	56
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- Of those who were entitled to but not claiming Housing Benefit, around 50 per cent had moved into the property less than six months ago. The equivalent percentage amongst ERs of Housing Benefit was 44 per cent.

- The small differences do not give a clear indication that a recent change in accommodation affects take-up of Housing Benefit.

4.4.9 Region/ Country

Region / Country	Percentage of ENRs	Percentage of ERs
North East	3	6
North West	11	14
Yorkshire and the Humber	10	10
East Midlands	7	7
West Midlands	8	10
East of England	8	7
London	21	14
South East	11	10
South West	8	7
Wales	5	5
Scotland	8	11
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 21 per cent ENRs lived in London compared to only 14 per cent of ERs. This suggests that take-up may have been lower in London than in any other area. This may be influenced by the prevalence of privately rented accommodation in London. See Table 4.4.10 for the Housing Benefit tenure profile.

- There was no evidence to suggest differences in take-up between any other areas.

4.4.10 Tenure profile

For pensioners	Percentage of ENRs	Percentage of ERs
Social Rented Sector Tenants	81	89
Rented Privately	19	11
Total	100	100

For non-pensioners	Percentage of ENRs	Percentage of ERs
Social Rented Sector Tenants	35	72
Rented Privately	65	28
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- For pensioners, the proportion of ENRs who were Renting Privately was greater than their recipient counterparts, indicating that these pensioners may be less likely to claim their entitlement.

- For non-pensioners, there were distinct differences between ERs and ENRs. Just 28 per cent of ERs were Renting Privately. In comparison, 65 per cent of ENRs were in similar accommodation. This indicates that those Renting Privately were less likely to claim their entitlement to Housing Benefit.

4.4.11 Whether claiming Council Tax Benefit

Another difference between ENRs and ERs of Housing Benefit was in the percentages who were claiming their entitlement to Council Tax Benefit (CTB).

Interaction with CTB	Percentage of HB ENRs	Percentage of HB ERs
Council Tax Benefit ENRs	51	3
Council Tax Benefit ERs	6	92
Not entitled to CTB	43	6
Total	100	100

- The table shows 92 per cent of Housing Benefit ERs were entitled and took up their entitlement to Council Tax Benefit, whilst only 3 per cent were entitled and did not. Similarly, of those that are ENRs of Housing Benefit, 51 per cent are also ENRs of CTB and only 6 per cent are ERs of CTB.

- This gives a clear indication that those that take-up CTB are likely to take-up HB if entitled and that those that do not take-up CTB are likely not to take-up HB either.

4.4.12 Below 60 per cent of contemporary median income

This section provides an analysis of the percentage of ENRs and ERs of Housing Benefit who were living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. Measures of low income are presented on two bases, Before Housing Costs (BHC) and After Housing Costs (AHC) are deducted from income.

This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[14]. Further details are available within the introduction at 1.8.6.

4.4.13 Table of the percentage of ENRs and ERs of Housing Benefit below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioner	**ENRs**	2008-09	44	60
		2009-10	38	62
	ERs	2008-09	11	23
		2009-10	9	26
Non-Pensioner	**ENRs**	2008-09	55	81
		2009-10	48	80
	ERs	2008-09	53	76
		2009-10	43	73

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- Before Housing Costs (BHC), 38 per cent of all pensioner ENRs lived in households below 60 per cent of median income and were around four times more likely than pensioner ERs to be below this threshold.
- On a BHC basis for non-pensioners the difference was not as pronounced; 48 per cent of ENRs lived in households below 60 per cent of median income and 43 per cent of ERs were in the same position.

[14] *Households Below Average Income 2009-10* (DWP) 2011 The report can be found at: http://research.dwp.gov.uk/asd/index.php?page=hbai

4.5 Trends in take-up over time

Below there are a number of time series charts for the trend in take-up of Housing Benefit for different family type, tenure type and employment status since 1993-94. Further background information can be found in the introduction in 1.8.7.

The analysis refers back to 1993-94 in particular because this is the first complete financial year for which Family Resources Survey (FRS) data was available. Analysis by employment type refers back to 2004-05 as this is the first year it was calculated.

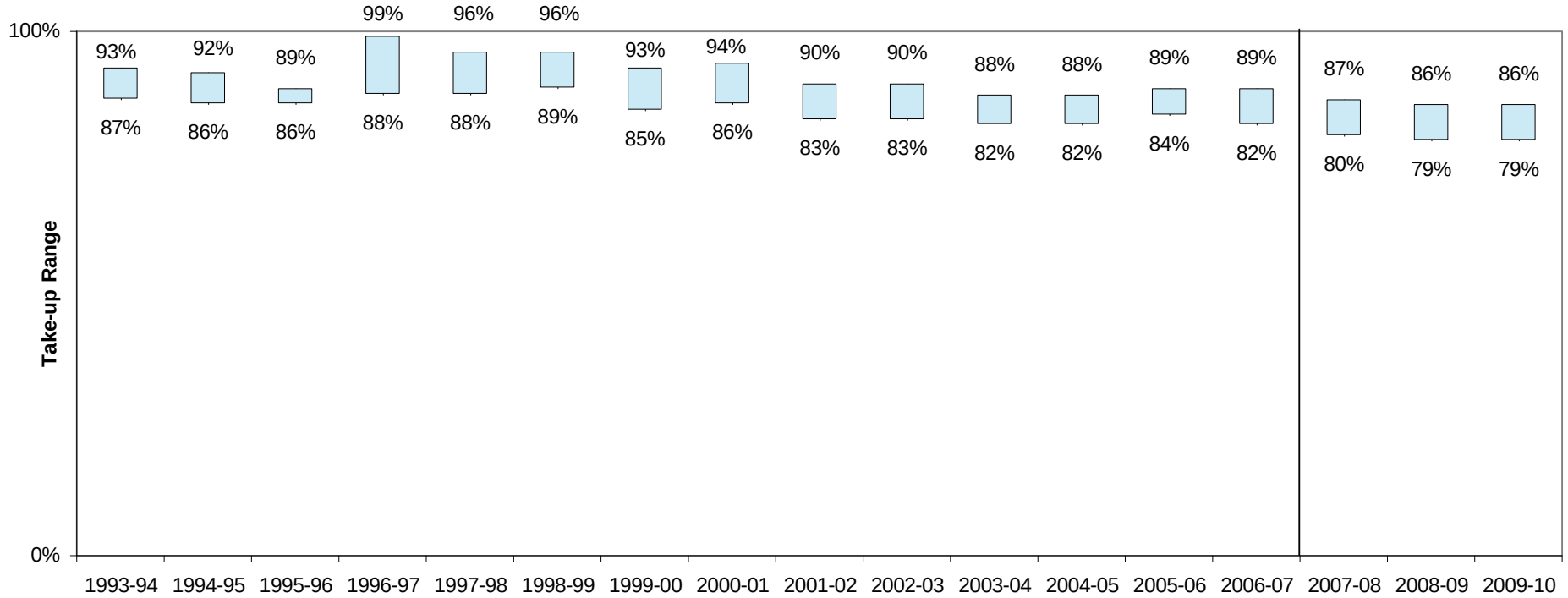
The break in the time series between 2006-07 and 2007-08, shown on the graphs below, represents the change in the modelling approach as described in Chapter 7. The impacts this change had on the results for 2007-08 and 2008-09 are shown in full for each family type, tenure type and employment status in section 7.4.

To understand in more detail what is meant by ‘change in bias’ in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

4.5.1 All Housing Benefit

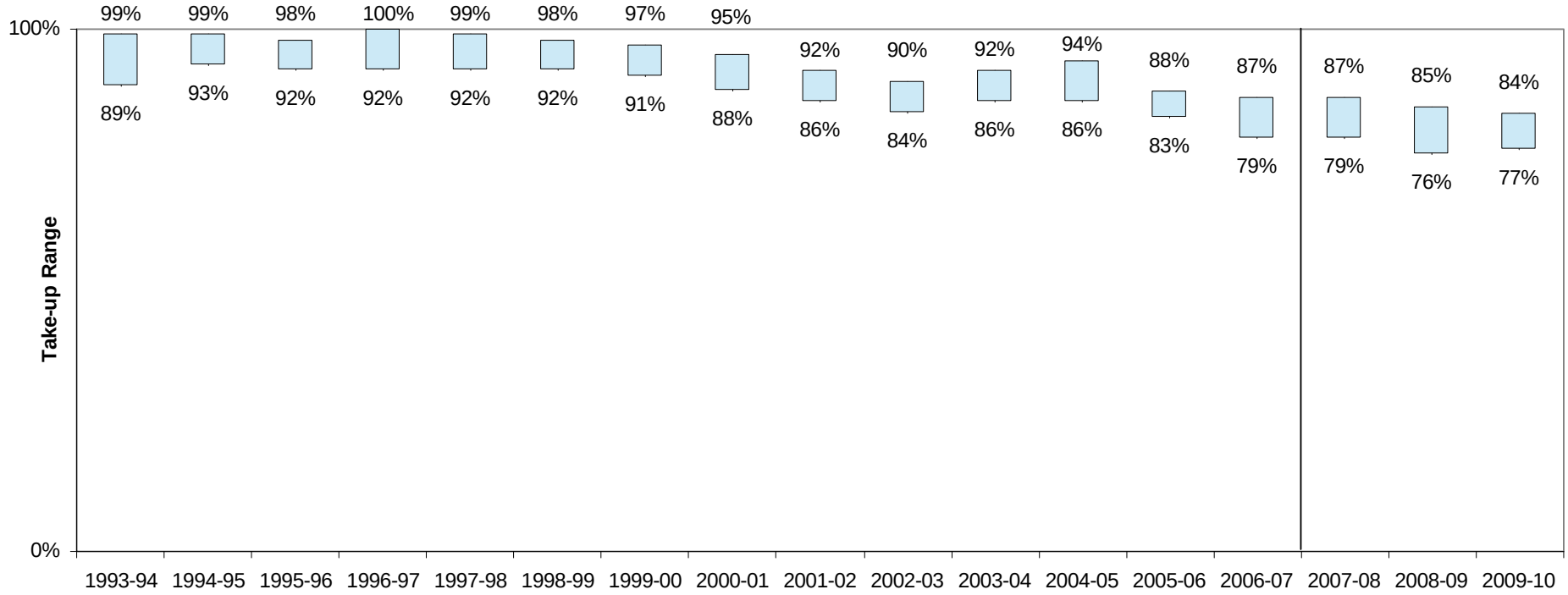
- The general trend for Housing Benefit overall has been a decrease in take-up over time. Take-up has fallen by at least 4 percentage points since 1993-94, although we cannot say by how much the level of true take-up may have fallen within the ranges.
- Overall there was no conclusive evidence to suggest there had been an overall change in the take-up of Housing Benefit between 2008-09 and 2009-10.

4.5.2 For pensioners



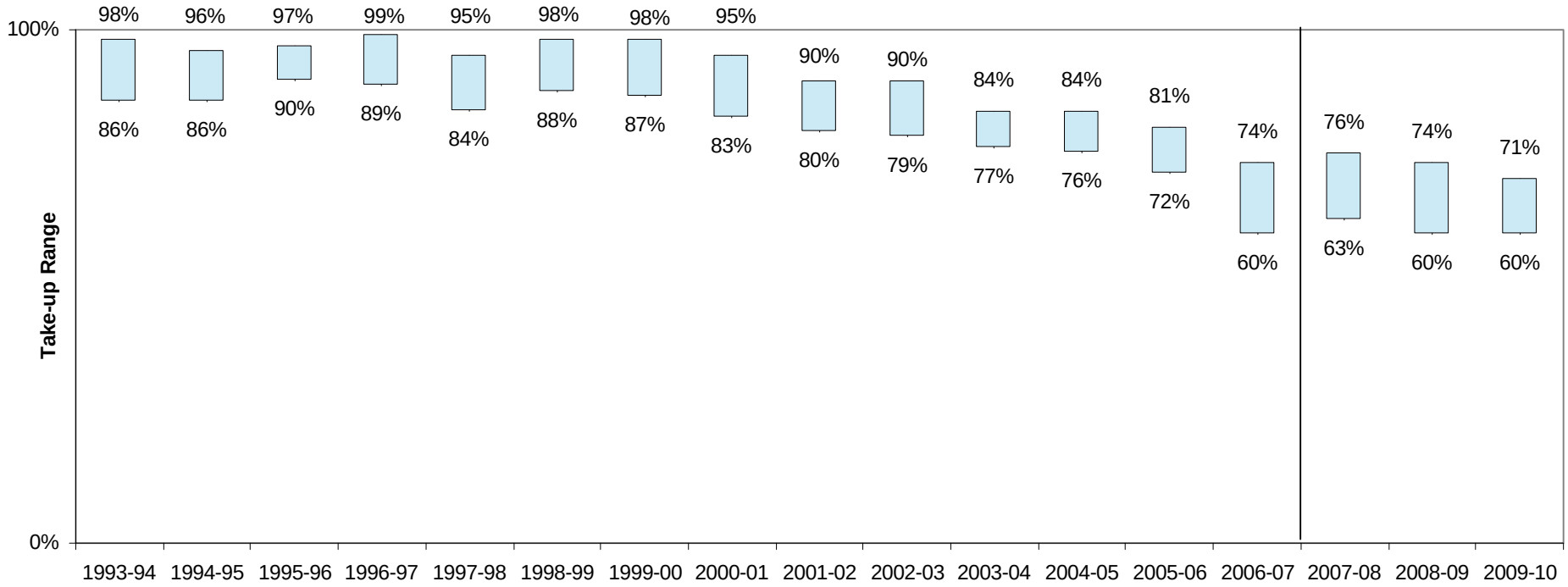
- The trend for the rate of take-up of Housing Benefit for pensioners has decreased over time. Take-up has fallen by at least 1 percentage point since 1993-94, although we cannot say by how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10.

4.5.3 For non-pensioners



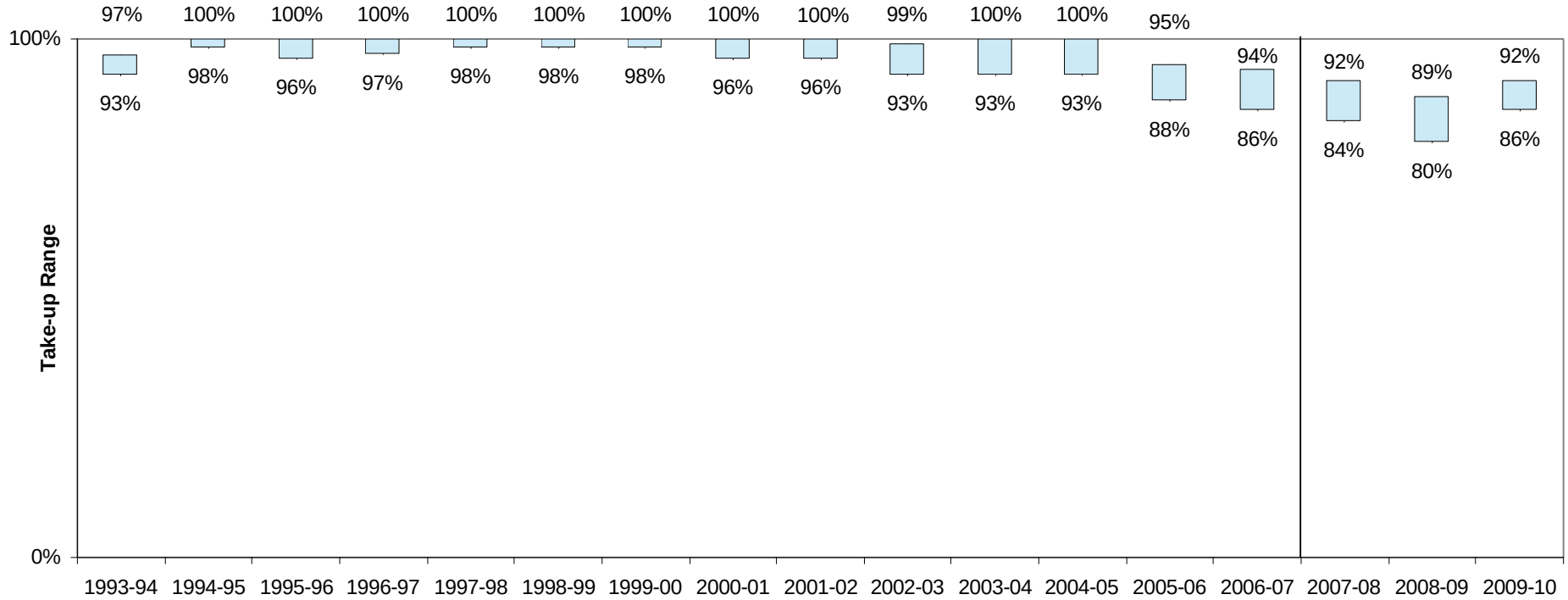
- The trend for the rate of take-up of Housing Benefit for non-pensioners has decreased over time. Take-up has fallen, by at least 5 percentage points since 1993-94, although we cannot say by how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10.

4.5.4 For couples with children



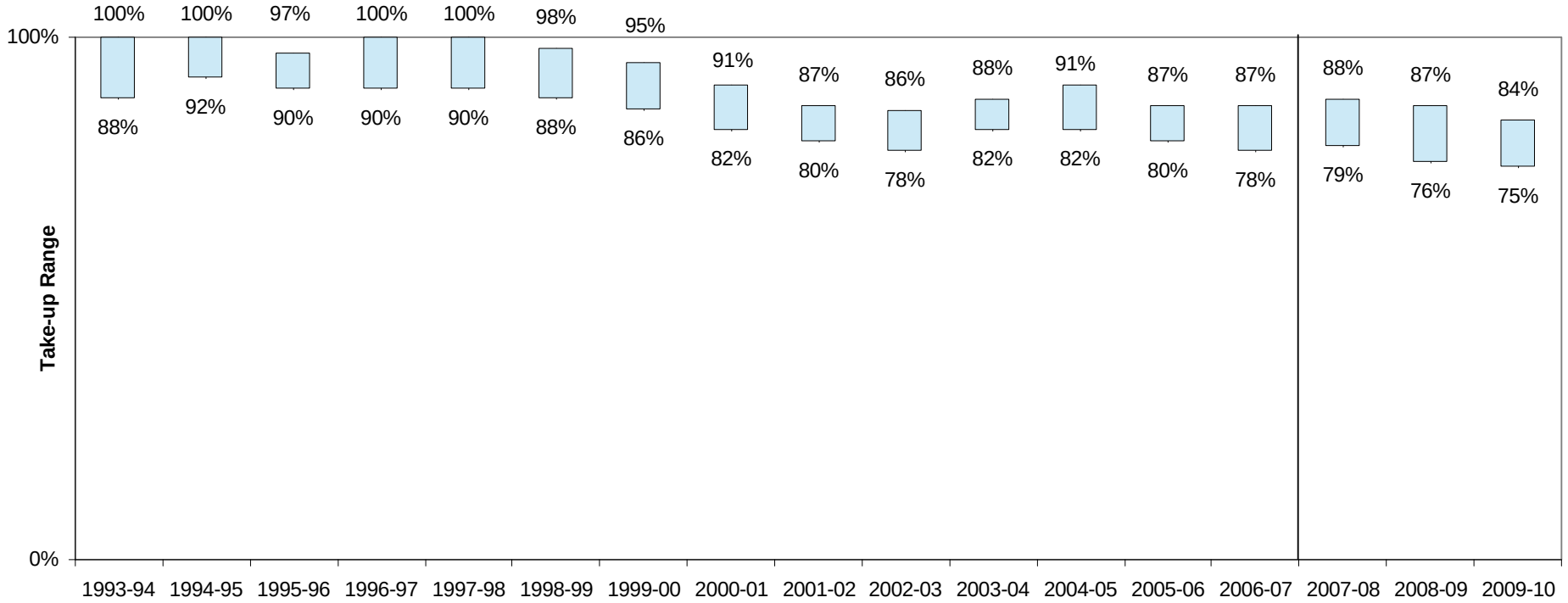
- The trend for the rate of take-up of Housing Benefit for couples with children has decreased over time. Take-up has fallen, by at least 15 percentage points since 1993-94, although we cannot say by how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10.

4.5.5 For singles with children



- The trend for the rate of take-up of Housing Benefit for singles with children has decreased over time. Take-up has fallen by at least 1 percentage point since 1993-94, although we cannot say by how much the level of true take-up may have fallen within the ranges.
- There was evidence of an increase in caseload take-up of around 4 percentage points for singles with children between 2008-09 and 2009-10.

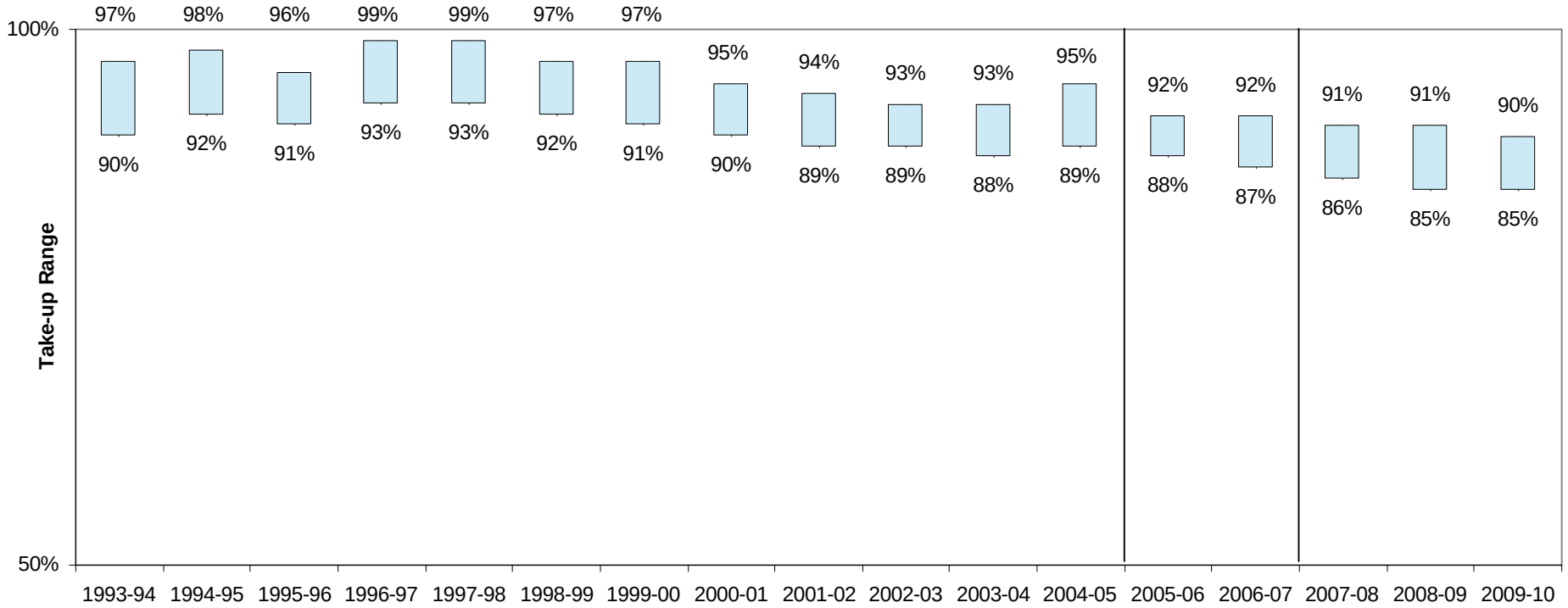
4.5.6 For non-pensioners without children



- The trend for the rate of take-up of Housing Benefit for non-pensioners without children has decreased over time. Take-up has fallen, by at least 4 percentage points since 1993-94, although we cannot say by how much the level of true take-up may have fallen within the ranges.

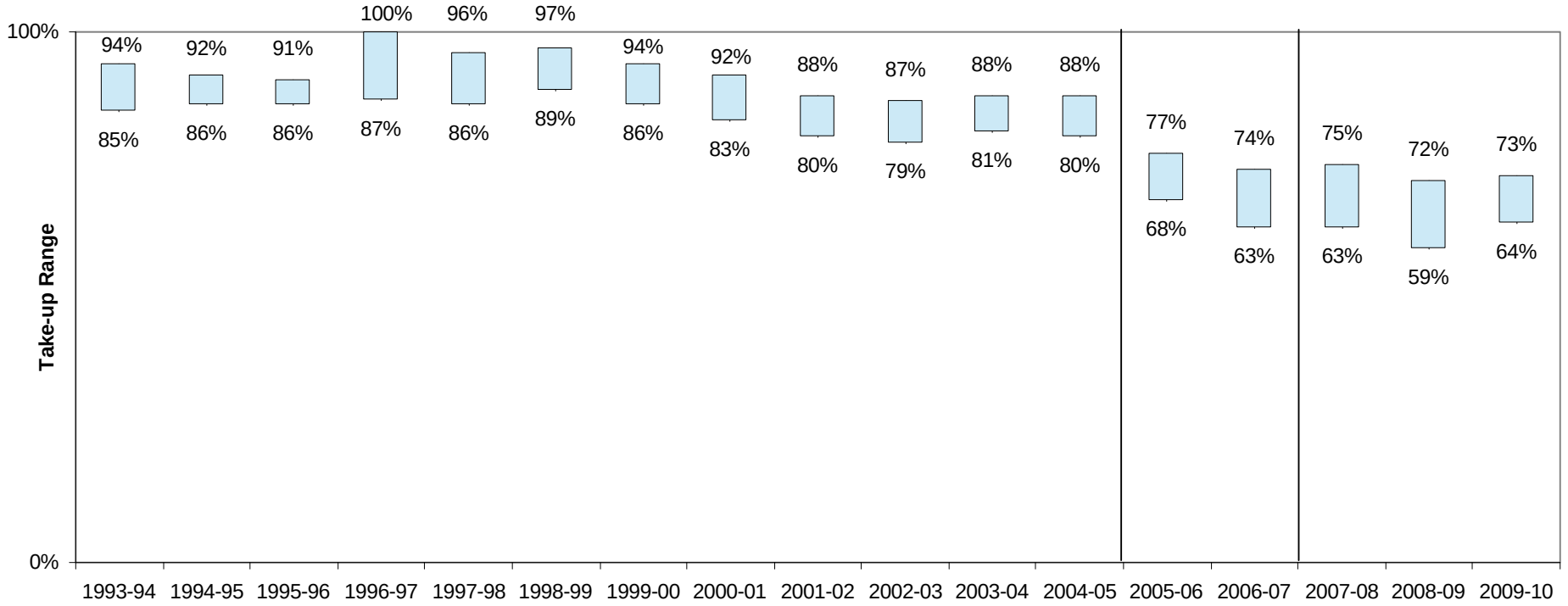
- There was evidence of a decrease in caseload take-up of around 2 percentage points for non-pensioners without children between 2008-09 and 2009-10.

4.5.7 For social rented sector tenants



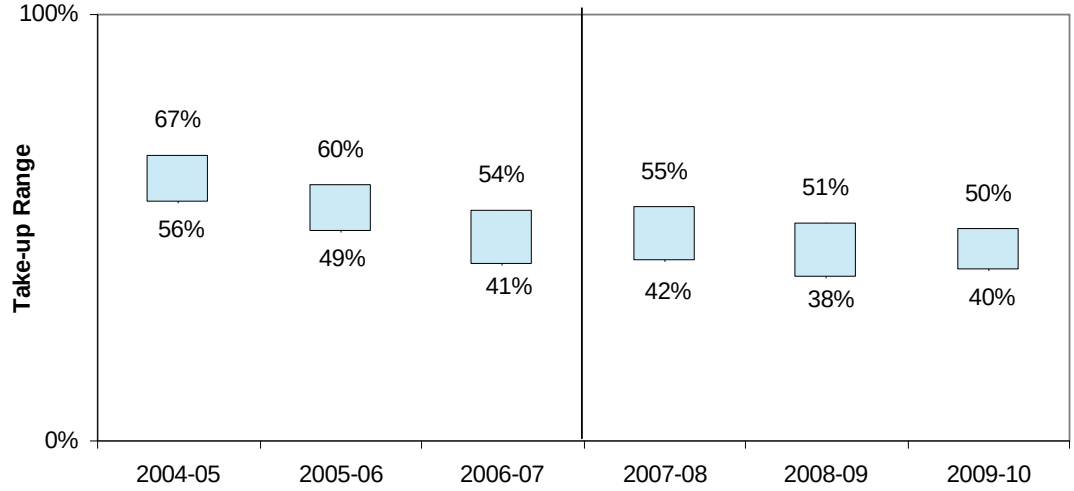
- Between 1993-94 and 2004-05 the definition of social rented sector accommodation used for this series excluded Housing Association (HA) and Registered Social Landlord (RSL) tenants. It is not possible to say whether the trend for the rate of take-up of Housing Benefit for social rented sector tenants changed over this period.
- From 2005-06 onwards, when HA and RSL tenants were incorporated into the definition of social rented sector tenants, there was evidence of a decrease in take-up of around 3 percentage points.
- There was no evidence of change between 2008-09 and 2009-10.

4.5.8 For private renters



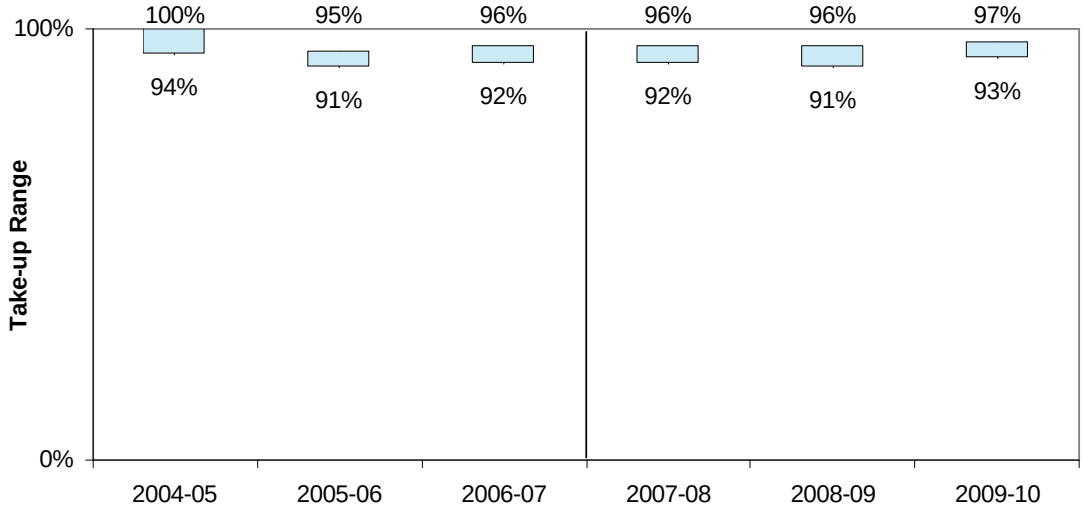
- Between 1993-94 and 2004-05 the definition of private rented accommodation used for this series included Housing Association (HA) and Registered Social Landlord (RSL) tenants. It is not possible to say whether the trend for the rate of take-up of Housing Benefit for private renters changed over this period.
- From 2005-06 onwards, when the definition of private renters did not include those renting from HAs or RSLs, there was evidence of a decrease in take-up of around 9 percentage points.
- There was no evidence of change between 2008-09 and 2009-10.

4.5.9 For those in employment



- Since 2004-05, when HB take-up ranges by employment were first calculated, there was evidence to suggest a decrease in take-up by those non-pensioners in employment of at least 6 percentage points. However, changes in bias mean we cannot be certain.
- There was no evidence of change between 2008-09 and 2009-10, however due to changes in bias we cannot be certain.

4.5.10 For those not in employment



- Since 2004-05, there was no evidence of a change in take-up for those not in employment.
- There was no evidence of change between 2008-09 and 2009-10.

5 Council Tax Benefit

5.1 Key results

5.1.1 All Council Tax Benefit

- Caseload take-up: between 62 per cent and 69 per cent overall.
- Expenditure take-up: between 64 per cent and 71 per cent overall.
- Change since 2008-09: there was no evidence of a change in take-up rates.

5.1.2 Pensioners

- Caseload take-up: between 54 per cent and 61 per cent.
- Expenditure take-up: between 56 per cent and 64 per cent.
- Change since 2008-09: there was no evidence of a change in take-up rates.

5.1.3 Non-pensioners

- Caseload take-up: between 72 per cent and 81 per cent.
- Expenditure take-up: between 73 per cent and 82 per cent.
- Change since 2008-09: there was no evidence of a change in take-up rates.

5.2 Introduction

5.2.1 Background

The description that follows relates to Council Tax Benefit in 2008-09 and 2009-10, since these years are the focus of this chapter. Since 2009-10 there have been changes to Council Tax Benefit which are not included in this information.

Council Tax Benefit is available to those with a Council Tax liability. Council Tax Benefit is paid to anyone on a sufficiently low income. Those on Income Support, Employment and Support Allowance (Income-Related), the Guarantee Credit element of Pension Credit or Jobseeker's Allowance (Income-Based) are automatically eligible for full main Council Tax Benefit. Second Adult Rebate (SAR) is paid to single adults who are the only person liable for Council Tax on the home and live with one or more adults on low income. If a benefit unit is eligible for both types of Council Tax Benefit, the higher amount is taken into account as benefit entitlement.

In 2009-10 all non-pensioners with capital holdings of £6,000 or more may have seen their Council Tax Benefit reduced as capital is taken into account when assessing eligibility. Those who had capital in excess of £16,000 were not entitled to Council Tax Benefit.

The rules for pensioners changed from 2 November 2009; the level of capital a pensioner or pensioner couple can hold before it is taken into account when assessing eligibility increased from £6,000 to £10,000. This has the effect of increasing the amount some pensioners with capital holdings of more than £6,000 may be entitled to and may make some of these pensioners entitled when previously they would not have been. The maximum capital pensioners could hold before being ineligible for Council Tax Benefit remained the same at £16,000.

From 2 November 2009 child benefit was no longer taken into account as income when assessing entiltlement to Council Tax Benefit, prior to this it counted in full. This change has the effect of increasing Council Tax Benefit entitlement for anyone receiving Child Benefit and may increase the number of people entitled to Council Tax Benefit.

This chapter presents estimates of the take-up of main Council Tax Benefit. The results shown in this chapter incorporate these changes; the following statistics should therefore be interpreted with this context in mind.

5.2.2 Readers' notes

- Take-up statistics for main Council Tax Benefit are presented in two sets of tables. The first set, 5.3.1 and 5.3.2, present take-up by caseload and expenditure respectively for different family types.

- The second set, 5.3.4 and 5.3.5, show caseload and expenditure take-up estimates in terms of different tenure arrangements. Note that the tenure

type social rented sector tenants include those renting from Local Authorities, Housing Associations and Registered Social Landlords.

- To understand in more detail what is meant by 'change in bias' in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

5.2.3 Technical note on the results in this chapter

Since the last publication there has been a change in our approach to modelling entitlement to Council Tax Benefit along with all other benefits in this publication. The figures have been revised for 2007-08 and 2008-09 using this new approach and it is these figures that are presented in this chapter and which should be used for all future reference. See Chapter 7 for the full details of this change and the revisions.

DWP statisticians are less confident of the statistics by tenure type than of the statistics by family type. This is because the administrative data supplied to the DWP contains insufficient information to enable us to analyse receipt of Council Tax Benefit accurately by tenure type. The numbers of recipients by tenure type shown in Table 5.3.4 were derived by applying the percentage of Council Tax Benefit recipients in each tenure group according to the Family Resources Survey in 2009-10 to the total number of recipients from the administrative data. To get the average amounts claimed by tenure group, we used the information that administrative data could tell us about amounts claimed by tenure. On balance though, we are confident that the broad patterns shown in the tables are robust.

Similar to figures for Housing Benefit, it is believed that estimates of the number of Council Tax Benefit recipients are understated because of new claims waiting to be processed, a small number of existing claims awaiting review, and as a result of new rules introduced for pensioners halfway through 2003-04 that meant that Council Tax Benefit could be backdated more readily than previously (see Chapter 8 for more details). As a result, estimates of take-up are depressed. However, we are not certain of either the size or the allocation of the administrative caseload undercount by family and tenure type, or of the number of backdated claims to Council Tax Benefit.

It is possible that the take-up rates presented for pensioners may be understated further in these estimates. This is because it has not proved possible to adjust the estimates for the potential problem of capital misreporting highlighted in the DWP research report "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"[15]. See Chapter 8 for further details.

Recipient totals in this publication may differ from those in other published sources due to a number of adjustments made to the recipient counts in order to make them comparable to the population we are able to produce estimates for. Full detail of these adjustments can be found in section 8.6.

[15] The report can be found at: http://research.dwp.gov.uk/asd/asd5/rports2003-2004/rrep197.asp

5.3 Results

5.3.1 Table of caseload take-up of Council Tax Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Singles with Children	Non-Pensioners without Children	
							(Thousands)
Number of Recipients	2008-09	2,520	2,500	340	860	1,290	5,010
	2009-10	2,590	2,630	380	900	1,350	5,190
Range of Entitled Non-Recipients	2008-09	1,530 : 2,020	500 : 890	230 : 330	70 : 180	190 : 410	2,060 : 2,880
	2009-10	1,690 : 2,230	630 : 1,000	260 : 350	110 : 230	240 : 450	2,340 : 3,200
							(Percentages)
Take-Up Ranges	2008-09	56 : 62	74 : 83	51 : 60	83 : 93	76 : 87	64 : 71
	2009-10	54 : 61	72 : 81	52 : 59	80 : 89	75 : 85	62 : 69

5.3.2 Table of expenditure take-up of Council Tax Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Singles with Children	Non-Pensioners without Children	
							(Pounds)
Average Weekly Amounts Claimed	2008-09	15	15	18	15	14	15
	2009-10	16	16	19	15	15	16
Average Weekly Amounts Unclaimed	2008-09	14	13	13	11	14	13
	2009-10	14	14	15	13	14	14
Median Weekly Amounts Unclaimed	2008-09	13	13	13	12	13	13
	2009-10	14	14	15	13	14	14
							(Millions of Pounds)
Total Amount Claimed	2008-09	2,020	1,950	310	660	970	3,930
	2009-10	2,140	2,130	380	710	1,040	4,230
Total Range Unclaimed	2008-09	1,050 : 1,460	320 : 620	150 : 250	30 : 110	130 : 310	1,400 : 2,040
	2009-10	1,220 : 1,690	450 : 770	190 : 300	70 : 160	170 : 350	1,700 : 2,420
							(Percentages)
Take-Up Ranges	2008-09	58 : 66	76 : 86	56 : 68	86 : 95	76 : 89	66 : 74
	2009-10	56 : 64	73 : 82	56 : 66	82 : 91	75 : 86	64 : 71

5.3.3 Commentary on take-up of Council Tax Benefit by family type

- Take-up of Council Tax Benefit was higher amongst non-pensioners compared with pensioners when analysed by either caseload or expenditure. See charts 5.3.9 and 5.3.10 for a comparison between demographic groups.

- Couples with children had a lower take-up rate than singles with children and non-pensioners without children for both caseload and expenditure rates. See charts 5.3.9 and 5.3.10 for a comparison between demographic groups.

- There was no evidence of a change in caseload take-up amongst pensioners between 2008-09 and 2009-10.

- For all non-pensioners, there was no evidence of any change in take-up since 2008-09.

- There was also no evidence of change in caseload take-up for couples with children between 2008-09 and 2009-10.

- There was evidence of around 1 percentage point decrease in take-up for singles with children since 2008-09.

- There was no evidence that take-up of Council Tax Benefit by non-pensioners without children had changed since 2008-09, but we cannot be certain due to changes in bias.

- For Council Tax Benefit overall there was no evidence of change since 2008-09.

5.3.4 Table of caseload take-up of Council Tax Benefit by tenure type

	Year	Social Rented Sector Tenants	Rented Privately	Owner Occupiers	All
					(Thousands)
Number of Recipients	2008-09	2,900	710	1,400	5,010
	2009-10	2,830	940	1,420	5,190
Range of Entitled Non-Recipients	2008-09	140 : 400	110 : 260	1,790 : 2,260	2,060 : 2,880
	2009-10	180 : 430	120 : 280	2,030 : 2,510	2,340 : 3,200
					(Percentages)
Take-Up Ranges	2008-09	88 : 95	73 : 86	38 : 44	64 : 71
	2009-10	87 : 94	77 : 89	36 : 41	62 : 69

5.3.5 Table of expenditure take-up of Council Tax Benefit by tenure type

	Year	Social Rented Sector Tenants	Rented Privately	Owner Occupiers	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	15	15	16	15
	2009-10	15	16	17	16
Average Weekly Amounts Unclaimed	2008-09	11	13	14	13
	2009-10	11	13	15	14
Median Weekly Amounts Unclaimed	2008-09	11	12	13	13
	2009-10	12	13	14	14
					(Millions of Pounds)
Total Amount Claimed	2008-09	2,200	550	1,180	3,930
	2009-10	2,220	770	1,240	4,230
Total Range Unclaimed	2008-09	70 : 230	70 : 180	1,260 : 1,680	1,400 : 2,040
	2009-10	100 : 270	70 : 200	1,530 : 2,000	1,700 : 2,420
					(Percentages)
Take-Up Ranges	2008-09	91 : 97	75 : 89	41 : 48	66 : 74
	2009-10	89 : 96	79 : 91	38 : 45	64 : 71

5.3.6 Commentary on take-up of Council Tax Benefit by tenure type

- Those owning their accommodation had the lowest rate of take-up of Council Tax Benefit for both caseload and expenditure rates. There was no evidence of a difference between caseload and expenditure take-up rates for social rented sector tenants and private renting tenants. Historically social rented sector tenants have been slightly higher. See charts 5.3.9 and 5.3.10 for a comparison between demographic groups.

- For social rented sector tenants there was no evidence of a change in take-up between 2008-09 and 2009-10.

- For private rented tenants there was evidence of an increase of 4 percentage points in take-up, since 2008-09, however this group is affected by high bias so changes should be treated with caution.

- For owner occupiers there was evidence to suggest a decrease in take-up of 1 percentage point since 2008-09.

- In common with the other income-related benefits, average amounts claimed were higher than average amounts unclaimed (5.3.2 and 5.3.5). However, the difference between amounts claimed and unclaimed were smaller for Council Tax Benefit than for other benefits. This effect fed through into the take-up ranges where we found, on the whole, that there was less difference between caseload and expenditure take-up measures in the case of Council Tax Benefit than there was for other benefits.

5.3.7 Second Adult Rebates

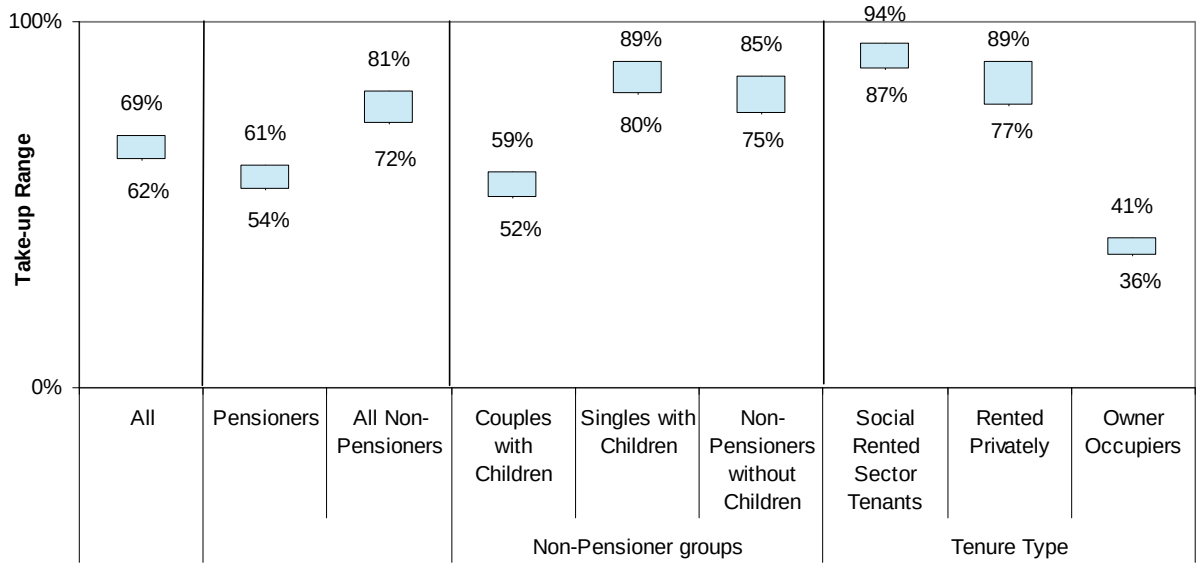
The data embargo placed on Local Authorities to prevent the transfer of administrative data from November 2007 to mid 2008 meant that we could not be confident in the administrative recipient count for Second Adult Rebate for the years 2007-08 and 2008-09. As such it was not possible to produce estimates of take-up for Second Adult Rebates for these years. Following a consultation with users, it was decided that these tables would be permanently removed from the publication and as such have not been included in the 2009-10 report.

5.3.8 Within year take-up of Council Tax Benefit by family type and tenure type for 2009-10

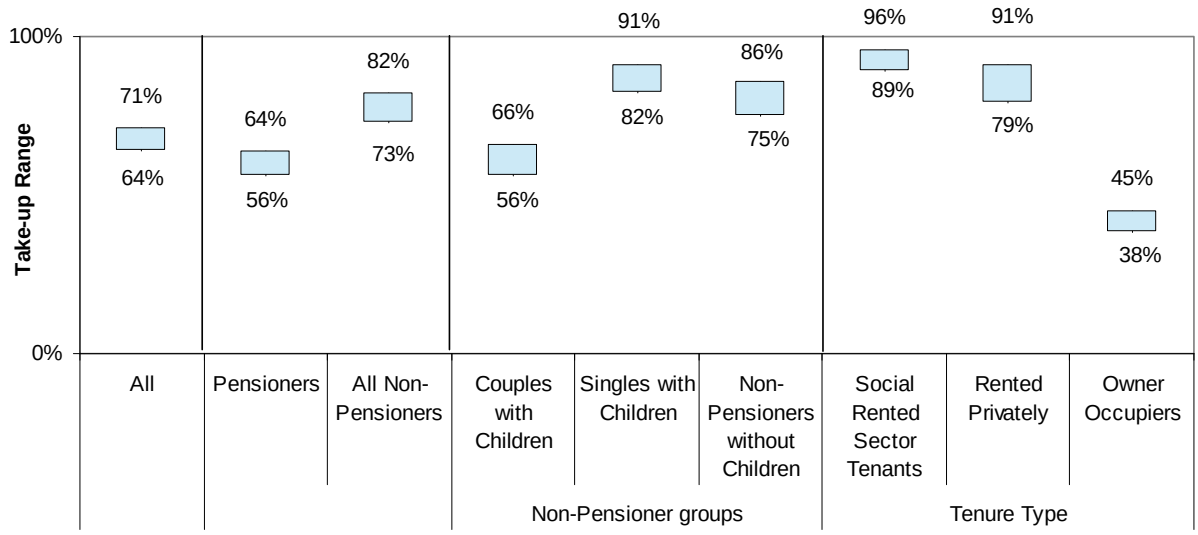
The charts below show the different demographic splits for which estimates of take-up are derived for 2009-10. They provide a comparison between the groups within the population.

Where ranges overlap it is not possible to say which group has higher or lower take-up and caution should be taken when interpreting groups with high bias; commentary related to these charts can be found with the associated tables above.

5.3.9 Caseload take-up of Council Tax Benefit by family type and tenure type for 2009-10



5.3.10 Expenditure take-up of Council Tax Benefit by family type and tenure type for 2009-10



5.4 Further analysis of those entitled to but not receiving Council Tax Benefit

5.4.1 Introduction

In this section we describe the characteristics of those who were entitled to Council Tax Benefit but were not receiving it (Entitled Non-Recipients, or ENRs). Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled to and in receipt (Entitled Recipients, or ERs) of Council Tax Benefit and in doing so explore some of the possible causes of non-take-up. The tables show the percentage of ENRs and ERs against different characteristic groupings.

These analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits. Within the data there will be those who appear to be ENRs but will not all actually be ENRs and vice versa (for more on this see Chapter 8). Accordingly, these analyses should be treated with some caution.

5.4.2 Readers' notes

- Columns may not sum to 100 due to rounding.
- An equal percentage of ENRs and ERs in any one category does not mean that there is the same number of benefit units in that category.
- Some of the tables are based on combined 2008-09 and 2009-10 FRS data to make results more robust, for ethnicity 2007-08, 2008-09 and 2009-10 FRS data have been used.
- Social rented sector tenants include those who rent their accommodation from the Local Authority, or from a Registered Social Landlord or Housing Association.
- The private tenant category includes those who privately rent their accommodation and include a small number of households who live in a property rent free.
- Benefit units have been classified according to the ethnic group of the head of the benefit unit, which means that information about others in the benefit unit is lost. Despite three years data being used, the figures presented here should still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups, especially in the case of benefit units headed by a person of Mixed ethnicity.
- When considering ENRs of Council Tax Benefit, ENRs of Second Adult Rebate have been excluded.

5.4.3 Weekly entitlement

For pensioners (pounds per week)	Percentage of ENRs	Percentage of ERs
Less than £1	3	0
£1 but less than £2	3	1
£2 but less than £3	3	1
£3 but less than £4	3	1
£4 but less than £5	4	1
£5 but less than £6	3	1
£6 but less than £7	3	1
£7 but less than £8	4	2
£8 but less than £9	4	3
£9 but less than £10	5	3
£10 but less than £11	4	6
£11 but less than £12	5	8
£12 but less than £13	4	10
£13 but less than £14	5	13
£14 but less than £15	4	9
£15 but less than £16	5	7
£16 but less than £17	5	7
£17 but less than £18	3	5
£18 but less than £19	5	6
£19 but less than £20	3	3
£20 but less than £21	3	3
£21 or more	18	10
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

For non-pensioners (pounds per week)	Percentage of ENRs	Percentage of ERs
Less than £1	4	0
£1 but less than £2	3	1
£2 but less than £3	4	0
£3 but less than £4	4	1
£4 but less than £5	3	1
£5 but less than £6	3	1
£6 but less than £7	4	1
£7 but less than £8	4	1
£8 but less than £9	3	1
£9 but less than £10	3	2
£10 but less than £11	3	4
£11 but less than £12	4	8
£12 but less than £13	5	10
£13 but less than £14	6	15
£14 but less than £15	4	11
£15 but less than £16	5	8
£16 but less than £17	5	7
£17 but less than £18	4	5
£18 but less than £19	5	7
£19 but less than £20	3	3
£20 but less than £21	3	3
£21 or more	16	9
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- As with the other income-related benefits, Entitled Non-Recipients of Council Tax Benefit had a tendency to be entitled to lower amounts than Entitled Recipients. A smaller proportion of all ENRs were entitled to £11 or more compared with ERs across both pensioner and non-pensioner groups.

- In addition, analysis of the FRS also revealed that 76 per cent of recipients were entitled to the full amount of Council Tax Benefit compared with 39 per cent of ENRs.

- One possible explanation for this is that some people may not have considered it worthwhile claiming small amounts of benefit. Another explanation is that those close to the edge of entitlement, and therefore entitled to only small amounts, may not realise that they are entitled.

- It should be noted that a far higher proportion of recipients of Council Tax Benefit were receiving Income Support, Pension Credit (the Guarantee Credit element) or Jobseeker's Allowance and therefore had entitlement to full CTB automatically, than for ENRs of Council Tax Benefit.

5.4.4 Disabled people

For pensioners	Percentage of ENRs	Percentage of ERs
Living with no disabled people	45	28
Living with at least one disabled person	55	72
Total	100	100

For non-pensioners	Percentage of ENRs	Percentage of ERs
Living with no disabled people	70	43
Living with at least one disabled person	30	57
Total	100	100

- 72 per cent of pensioner ERs had at least one disabled person (please refer to the glossary in section 1.10 for the definition of 'disabled') in the benefit unit, compared with 55 per cent of pensioner ENRs.
- For non-pensioner benefit units the equivalent figures were 57 per cent and 30 per cent. These figures indicate that disability may be a factor in the decision to claim Council Tax Benefit.
- In particular, they show that take-up was higher where there was at least one disabled person in the benefit unit.

5.4.5 Ethnicity

Ethnicity	Percentage of ENRs	Percentage of ERs
White	92	90
Mixed	1	1
Asian or Asian British	4	4
Black or Black British	2	4
Other	2	2
Total	100	100

Note: This table is based on a combination of 2007-08, 2008-09 and 2009-10 data.

- There were proportionately similar numbers of ENRs and ERs in each ethnic group, so it is not clear that there are differences in Council Tax Benefit take-up by ethnicity.

5.4.6 Marital Status

Marital Status	Percentage of ENRs	Percentage of ERs
Single	53	74
Couple - Cohabiting	5	5
Couple - Married	43	20
Total	100	100

- The figures above indicate that singles are more likely to take-up Council Tax Benefit while couples as a whole are less likely.

5.4.7 Recent change in accommodation

Another possible cause of non-take-up of Council Tax Benefit is following a change of accommodation, whereby those who are entitled may have yet to claim their entitlement. We can look for supporting evidence for this from the FRS by comparing the length of time ENRs and ERs lived in their current accommodation.

Time moved into property	Percentage of ENRs	Percentage of ERs
Less than six months ago	47	44
Six or more months ago	53	56
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- The proportions overall of ENRs and ERs who had moved into a property less than six months ago were 47 per cent and 44 per cent respectively.

- The small differences do not give a clear indication that a recent change in accommodation affects take-up of Council Tax Benefit.

5.4.8 Region/Country

Region / Country	Percentage of ENRs	Percentage of ERs
North East	4	6
North West	12	14
Yorkshire and the Humber	9	10
East Midlands	9	7
West Midlands	10	10
East of England	10	7
London	12	13
South East	12	10
South West	9	8
Wales	5	5
Scotland	8	10
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- There was no evidence to suggest that any particular region is more likely to have a higher or lower rate of take-up.

5.4.9 Tenure profile

For pensioners	Percentage of ENRs	Percentage of ERs
Social Rented Sector Tenants	11	52
Rented Privately	3	7
Owner Occupiers	85	41
Total	100	100

For non-pensioners	Percentage of ENRs	Percentage of ERs
Social Rented Sector Tenants	17	64
Rented Privately	19	24
Owner Occupiers	64	12
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- For pensioners and non-pensioners, there were distinct differences between ERs and ENRs by tenure; for both groups a higher proportion of ERs lived in the Social Rented Sector, while a higher proportion of ENRs owned their own homes. This indicates that those who owned their accommodation were less likely to claim their entitlement.

5.4.10 Whether claiming Housing Benefit

Another difference between ENRs and ERs of Council Tax Benefit was in the percentages who were claiming their entitlement to Housing Benefit (HB). Owner occupiers have been excluded from this piece of analysis as Housing Benefit is only available to renters.

Interaction with HB	Percentage of CTB ENRs	Percentage of CTB ERs
Housing Benefit ENRs	75	2
Housing Benefit ERs	11	95
Not entitled to HB	14	3
Total	100	100

- Of the population entitled to both Housing Benefit and Council Tax Benefit the table shows there was a large overlap between ERs of CTB and ERs of HB, accounting for 95 per cent of the CTB ER population. While of the ENR population the majority entitled to both benefits are also likely to be ENRs of HB. Only 11 per cent of the CTB ENR population were ERs of HB. This gives a good indication that receipt of HB can often lead to receipt of CTB if entitled.

5.4.11 Below 60 per cent of contemporary median income

This section provides an analysis of the percentage of ENRs and ERs of Council Tax Benefit who were living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. Measures of low income are presented on two bases, Before Housing Costs (BHC) and After Housing Costs (AHC) are deducted from income.

This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[16]. Further details are available within the introduction at 1.8.6.

5.4.12 Table of the percentage of ENRs and ERs of Council Tax Benefit below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioner	**ENRs**	2008-09	47	38
		2009-10	46	37
	ERs	2008-09	25	23
		2009-10	23	24
Non-Pensioner	**ENRs**	2008-09	73	83
		2009-10	63	69
	ERs	2008-09	57	76
		2009-10	48	74

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- For pensioners, on a Before Housing Costs (BHC) basis 46 per cent of pensioner ENRs lived in low-income households compared to 23 per cent of ERs.
- After Housing Costs (AHC), 37 per cent of pensioner ENRs lived below the 60 per cent median threshold compared with 24 per cent of ERs.
- On a BHC basis 63 per cent of non-pensioner ENRs lived in low-income households compared with 48 per cent non-pensioner ERs.
- On an AHC basis, the ENR and ER proportions of the non-pensioner population below the 60 per cent median income line were similar, 69 and 74 per cent respectively.

[16] *Households Below Average Income 2009-10* (DWP) 2011 The report can be found at: http://research.dwp.gov.uk/asd/index.php?page=hbai

5.5 Trends in take-up over time

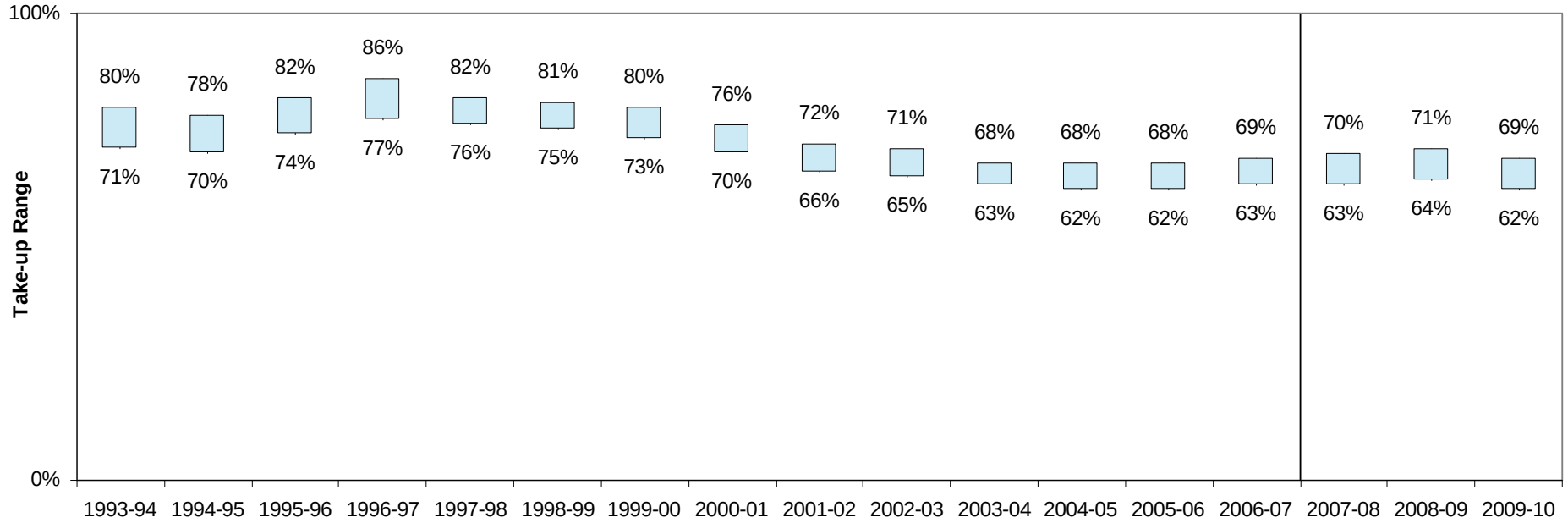
Below there are a number of time series charts for the trend in take-up of Council Tax Benefit for different family and tenure types since 1993-94. Further background information can be found in the introduction in 1.8.7.

The analysis refers back to 1993-94 in particular because this is the first complete financial year for which Family Resources Survey (FRS) data was available.

The break in the time series between 2006-07 and 2007-08, shown on the graphs below, represents the change in the modelling approach as described in Chapter 7. The impacts this change had on the results for 2007-08 and 2008-09 are shown in full for each family and tenure type in section 7.5.

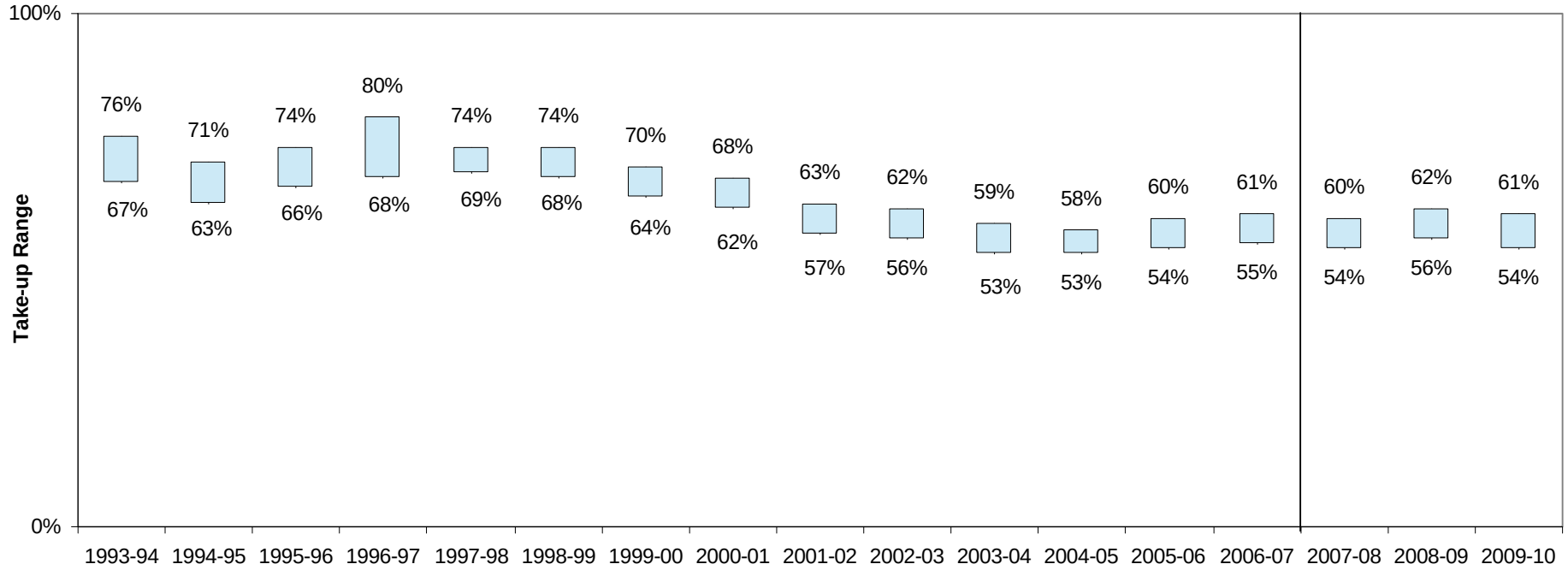
To understand in more detail what is meant by ‘change in bias’ in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

5.5.1 All Council Tax Benefit



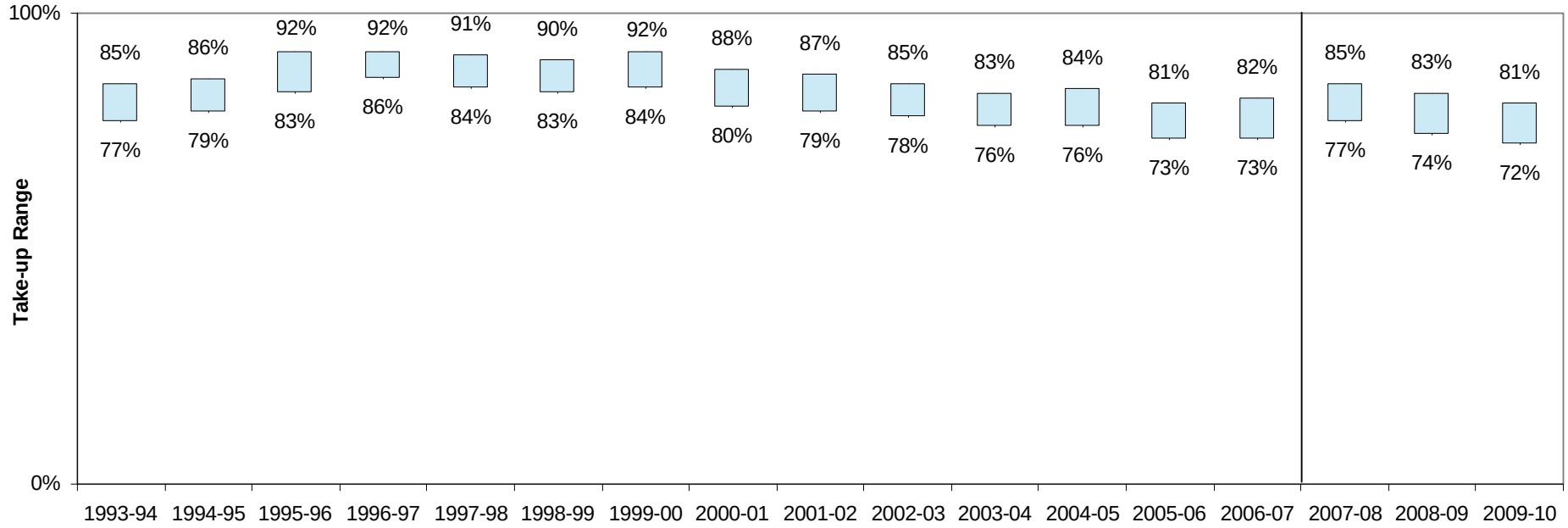
- The general trend for Council Tax Benefit take-up overall has been to decrease over time. Take-up has fallen, by at least 2 percentage points since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10.

5.5.2 For pensioners



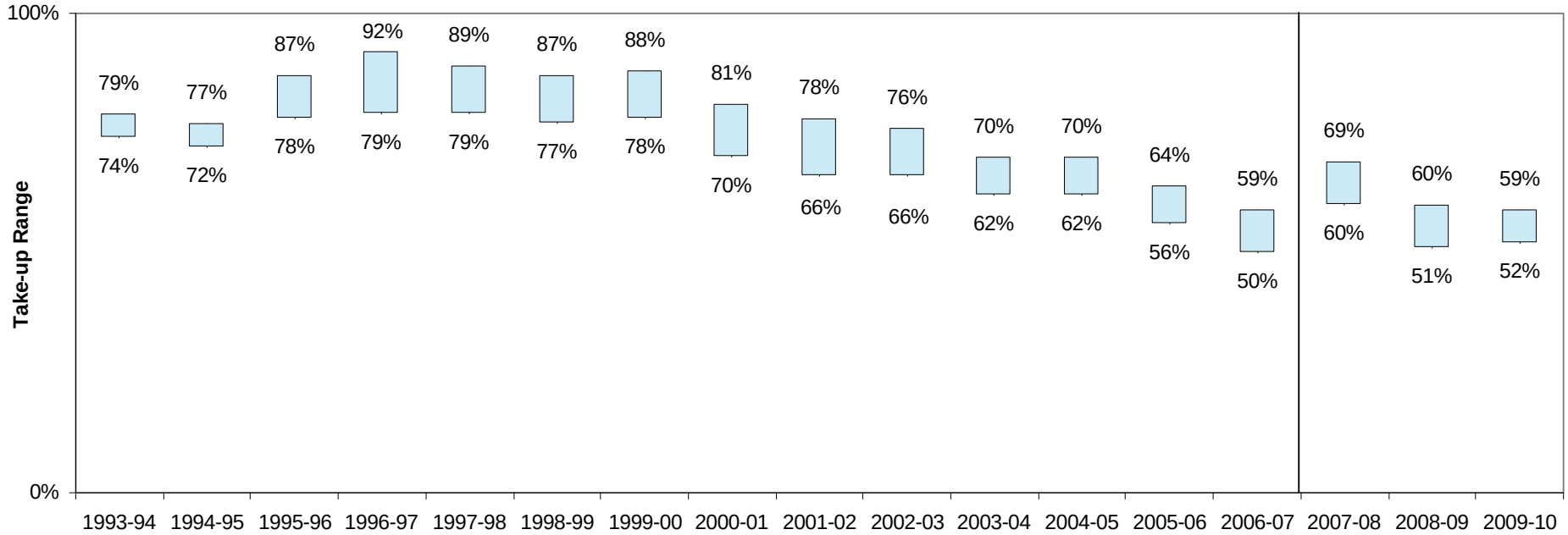
- The general trend for Council Tax Benefit take-up amongst pensioners has decreased over time. Take-up has fallen, by at least 6 percentage points since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10.

5.5.3 For non-pensioners



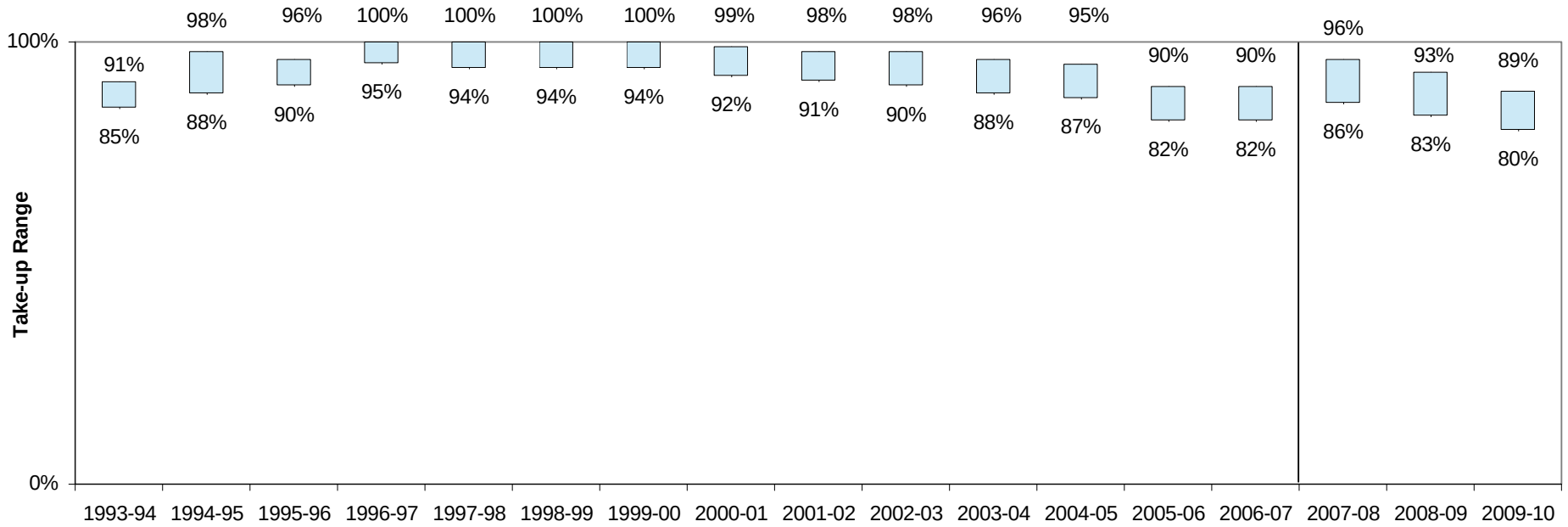
- The general trend for Council Tax Benefit take-up amongst non-pensioners has decreased over time. Take-up has fallen, by around 7 percentage points since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges and the ranges still overlap.
- There was no evidence of change between 2008-09 and 2009-10.

5.5.4 For couples with children



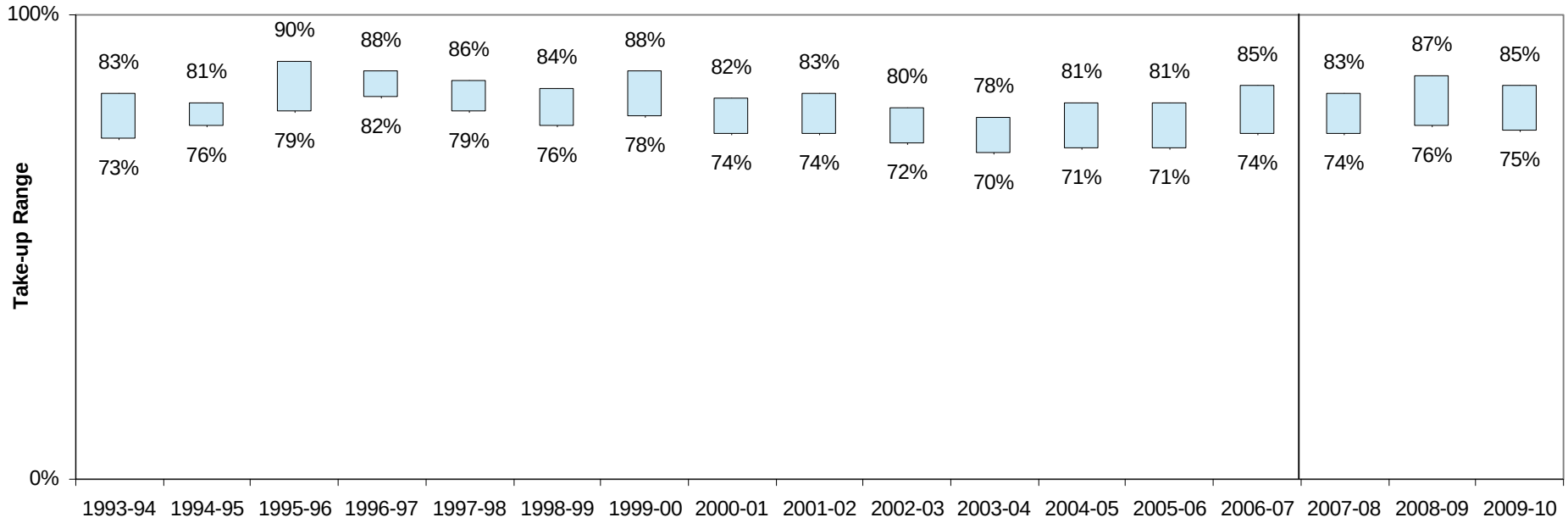
- The trend for Council Tax Benefit take-up amongst couples with children has decreased over time. Take-up has fallen, by at least 15 percentage points since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10.

5.5.5 For singles with children



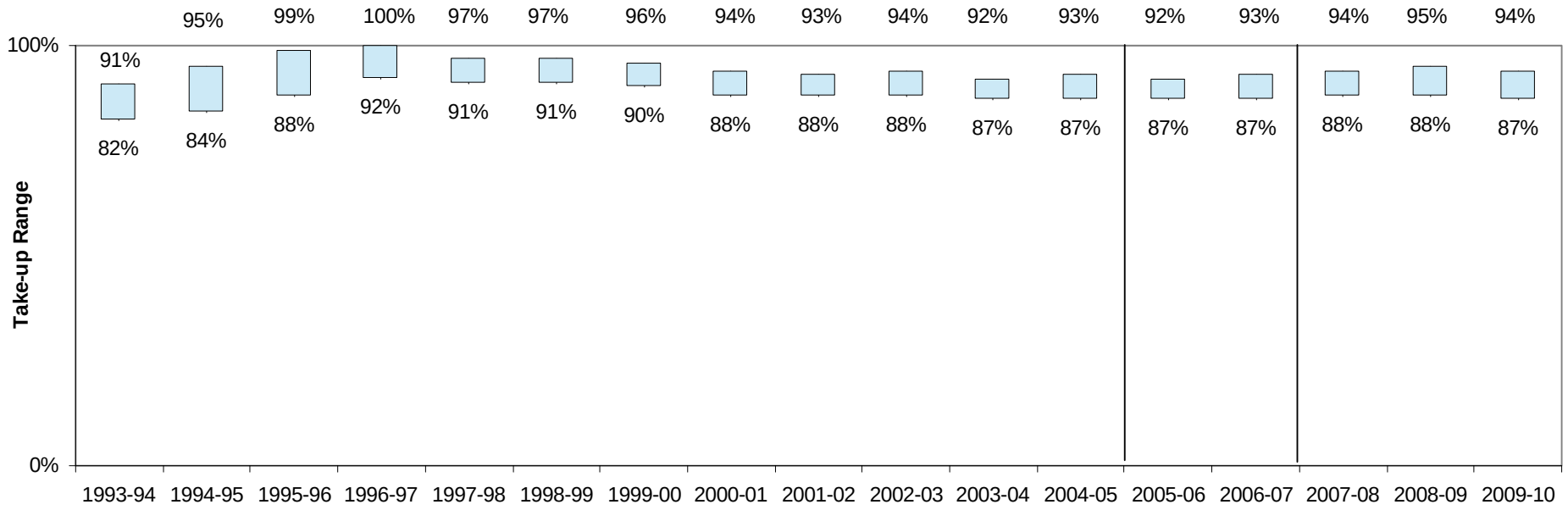
- The trend for Council Tax Benefit take-up amongst singles with children has decreased over time. Take-up has fallen, by around 10 percentage points since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges.
- There was evidence of a 1 percentage point decrease between 2008-09 and 2009-10.

5.5.6 For non-pensioners without children



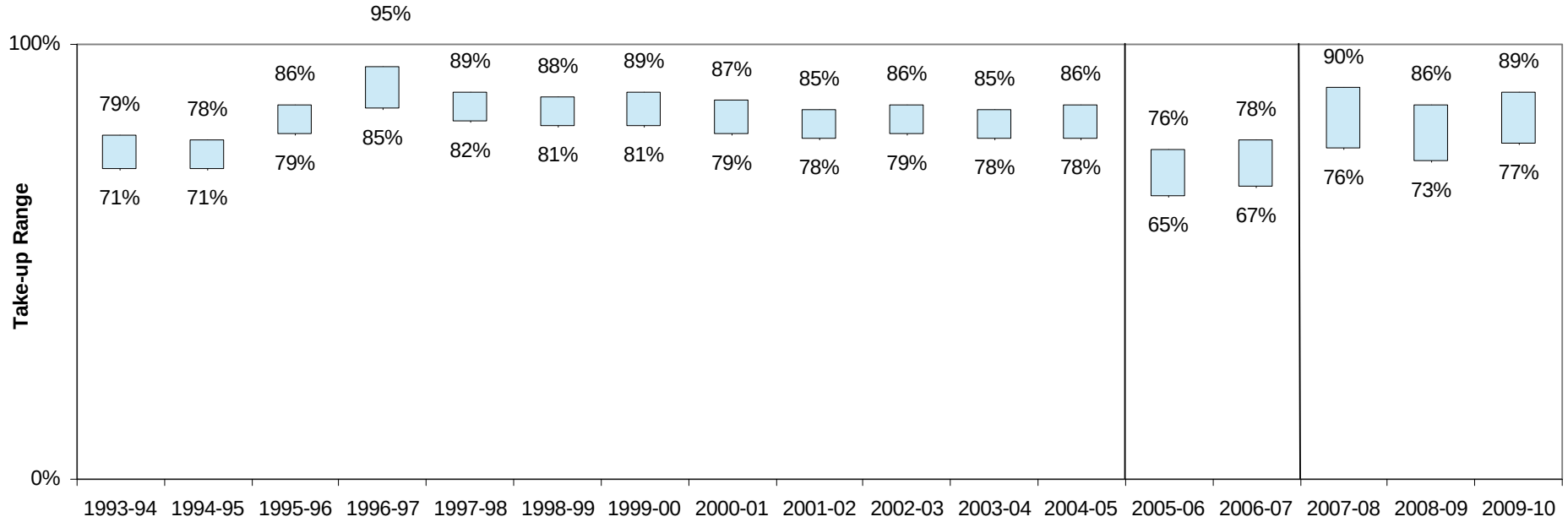
- The trend for Council Tax Benefit take-up amongst non-pensioners without children has been stable over time. Despite this there was evidence to suggest around a 4 percentage point decrease in take-up since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges.
- There was no evidence of change between 2008-09 and 2009-10 but this should be treated with caution due to changing bias.

5.5.7 For social rented sector tenants



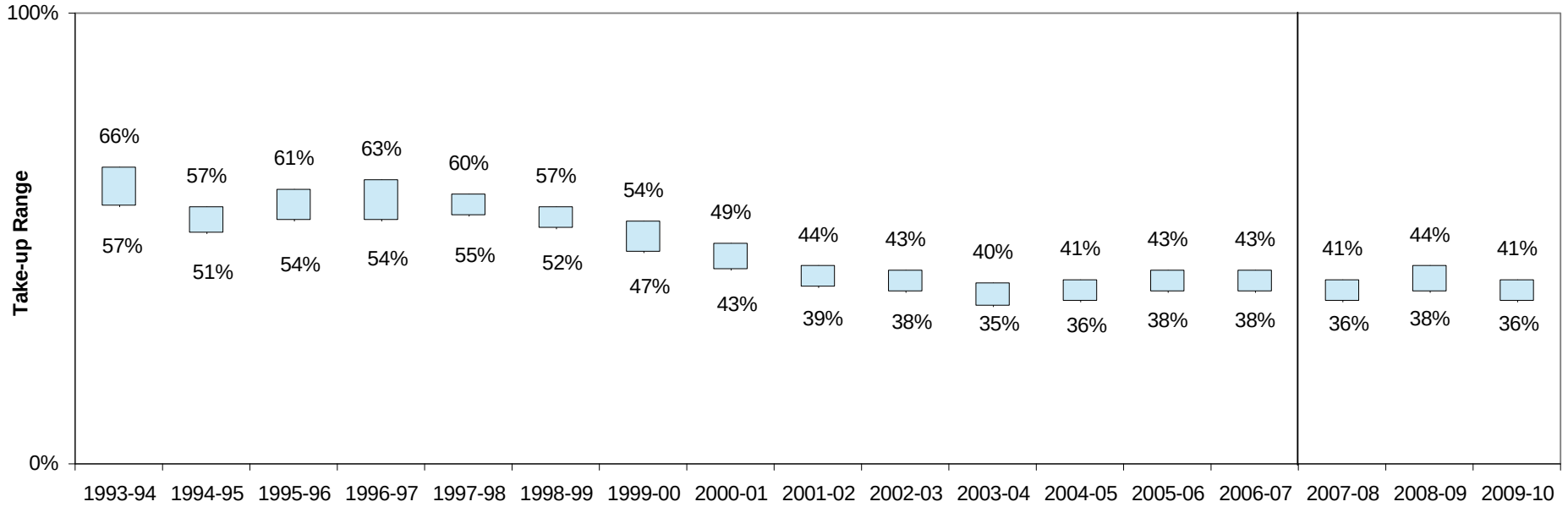
- Between 1993-94 and 2004-05 the definition of social rented sector accommodation used for this series excluded Housing Association (HA) and Registered Social Landlord (RSL) tenants. It is not possible to say whether the trend for the rate of take-up of Council Tax Benefit for social rented sector tenants changed over this period, due to overlapping ranges.
- From 2005-06 onwards, when HA and RSL tenants were incorporated into the definition of social rented sector tenants, there was no evidence of a change in take-up for this group.
- There was no evidence of change between 2008-09 and 2009-10.

For private renters



- Between 1993-94 and 2004-05 the definition of private rented accommodation used for this series included Housing Association (HA) and Registered Social Landlord (RSL) tenants. It is not possible to say whether the trend for the rate of take-up of Council Tax Benefit for private renters changed over this period, due to overlapping ranges
- From 2005-06 onwards, when HA and RSL tenants were incorporated into the definition of social rented sector tenants, there was evidence of an increase in take-up of at least 1 percentage point for this group.
- There was evidence of around a 4 percentage point increase between 2008-09 and 2009-10 but we cannot be certain due to high levels of bias.

5.5.8 For owner occupiers



- The trend for Council Tax Benefit take-up amongst owner occupiers has decreased over time. Take-up has fallen, by at least 16 percentage points since 1993-94, although we cannot say how much the level of true take-up may have fallen within the ranges.
- There was evidence of a 1 percentage point decrease between 2008-09 and 2009-10.

6 Jobseeker's Allowance

6.1 Key results

6.1.1 All Jobseeker's Allowance (Income-Based)

- Caseload take-up: between 60 per cent and 67 per cent overall.
- Expenditure take-up: between 61 per cent and 70 per cent overall.
- Change since 2008-09: there was evidence of an increase in overall caseload take-up of at least 1 percentage points between 2008-09 and 2009-10, although we cannot be certain due to high levels of bias present in our modelling.
- Change since 1997-98: there was evidence that take-up has fallen since 1997-98 by at least 3 percentage points, although we cannot be certain due to high levels of bias present in our modelling.

6.2 Introduction

6.2.1 Background

The description that follows relates to the benefit rules in 2008-09 and 2009-10, since these years are the focus of this chapter. Since 2009-10 there may have been changes which are not included in this information.

Jobseeker's Allowance (JSA) was introduced in October 1996 and is a benefit with two routes of entry. Claimants who have paid sufficient National Insurance contributions get contribution-based JSA. Those who do not qualify for, or whose needs are not met by, contribution-based JSA may qualify for income-based JSA for themselves and their dependants according to need. The figures presented in this chapter refer only to the income-based element of Jobseeker's Allowance. This will be referred to from this point on as Jobseeker's Allowance (IB).

The rules for Jobseeker's Allowance (IB) are similar to those for Income Support except for the additional requirements that claimants must demonstrate that they are available for and are actively seeking work. However, the Family Resources Survey does not allow us to model the "actively seeking work" criteria accurately and we therefore do not take account of this information.

Therefore, some of our modelled Entitled Non Recipients (ENRs) appear not to be searching for a job. However, we assume that these ENRs are still entitled to make a claim, and will be entitled to Jobseeker's Allowance (IB) provided that, from the date of the claim, they can demonstrate they are actively searching for a job. This reflects the reality that Entitled Non-Recipients do not have to be actively searching for a job as they are not required to, given they have not signed a Jobseeker's Agreement and are therefore not in receipt of either type of Jobseeker's Allowance.

This means that some ENRs of Jobseeker's Allowance (IB) will also appear to be entitled to Income Support. To address this, we have to make some assumptions based on the available data. These assumptions include a series of rules.

Men aged more than 59 but less than 65 could claim Pension Credit or Jobseeker's Allowance (IB). Singles with young children could claim Income Support or Jobseeker's Allowance (IB). For those who had an underlying entitlement to more than one benefit we cannot determine which one they might claim. In practice we know that the vast majority of those aged 60-64 would have claimed Pension Credit and that singles with young children would have claimed Income Support.

DWP administrative data shows that only very small numbers of these groups claim Jobseeker's Allowance (IB). Analysis of DWP administrative data confirmed this pattern. It showed an average of 235,000 men aged 60-64 were claiming Pension Credit in 2009-10 while only 5,000 were claiming Jobseeker's Allowance (IB) over the same period. The 5,000 Jobseeker's

Allowance (IB) recipients represented around 2 per cent of men aged 60-64 in receipt of either benefit. The information on Pension Credit was gathered from DWP Work and Pensions Longitudinal Study (WPLS) administrative data and the information on Jobseeker's Allowance was gathered from Quarterly Statistical Enquire (QSE) data from May 2009, August 2009, November 2009 and February 2010.

Similarly, an average of 795,000 singles with children were claiming Income Support in 2009-10 while only 58,000 were claiming Jobseeker's Allowance (IB) over the same period. Those claiming Jobseeker's Allowance (IB) represent around 7 per cent of singles with children in receipt of either Income Support or Jobseeker's Allowance (IB); so, for the purposes of estimating take-up we continue to make the assumption that men aged over 60 but under 65 and singles with children would have claimed Pension Credit/Income Support, rather than Jobseeker's Allowance (IB), if they have reported receipt of neither but appeared initially to be entitled to both. The information on singles with children was gathered from Quarterly Statistical Enquiry (QSE) data from May 2009, August 2009, November 2009 and February 2010.

6.2.2 Readers' notes

- Tables 6.3.1 and 6.3.2 present caseload and expenditure take-up statistics respectively for Jobseeker's Allowance (IB), by family type. Pensioners are not included as they are not eligible for JSA (IB).

- To understand in more detail what is meant by 'change in bias' in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

6.2.3 Technical note on the results in this chapter

Since the last publication there has been a change in our approach to modelling entitlement to Jobseeker's Allowance along with all other benefits in this publication. The figures have been revised for 2007-08 and 2008-09 using this new approach and it is these figures that are presented in this chapter and which should be used for all future reference. See Chapter 7 for the full details of this change and the revisions.

In this chapter the results for couples with children were obtained by combining two years' data. Statistics presented for 2008-09 are based on analyses of 2007-08 and 2008-09 data combined, while statistics presented for 2009-10 are based on analyses of 2008-09 and 2009-10 data combined. This was because sample sizes were too small to produce robust estimates based on a single year's data.

Estimates of take-up by couples without children have not been presented since they were not statistically robust.

Estimates of take-up by singles with children are not presented as sample sizes were too small in 2008-09 and 2009-10 to produce robust estimates. In previous years we modelled this entire group as entitled to Income Support rather than Jobseeker's Allowance (IB). However, from 24 October 2009 the definition of an older child changed from age twelve to age ten. Singles with

children aged ten or older, or whose children will be ten in the next year, were no longer eligible for IS solely on the grounds of being a lone parent. Instead, those able to work and with no carer responsibilities can apply for Jobseeker’s Allowance (IB).

Data on recipients since 2004-05 are based on the Work and Pensions Longitudinal Study, which covers 100 per cent of claimants.

Recipients totals in this publication may differ from those in other published sources due to a number of adjustments made to the recipient counts in order to make them comparable to the population we are able to produce estimates for. Full detail of these adjustments can be found in section 8.6.

6.3 Results

6.3.1 Table of caseload take-up of Jobseeker's Allowance (Income-Based) by family type

	Year	Couples with Children	Single Males without Children	Single Females without Children	All
					(Thousands)
Number of Recipients	2008-09	60	420	150	630
	2009-10	90	610	210	910
Range of Entitled Non-Recipients	2008-09	10 : 30	300 : 470	120 : 180	440 : 660
	2009-10	0 : 30	280 : 400	140 : 200	440 : 610
					(Percentages)
Take-Up Ranges	2008-09	70 : 89	47 : 58	46 : 57	49 : 59
	2009-10	74 : 96	61 : 68	52 : 61	60 : 67

Note: The All category only includes Couples with Children, Single Males and Single Females
Estimates for couples presented for 2008-09 are based on combined 2007-08 and 2008-09 data.
Estimates for couples presented for 2009-10 are based on combined 2008-09 and 2009-10 data.

6.3.2 Table of expenditure take-up of Jobseeker's Allowance (Income-Based) by family type

	Year	Couples with Children	Single Males without Children	Single Females without Children	All
					(Pounds)
Average Weekly Amounts Claimed	2008-09	91	56	54	59
	2009-10	98	61	58	64
Average Weekly Amounts Unclaimed	2008-09	84	53	50	55
	2009-10	85	56	53	59
Median Weekly Amounts Unclaimed	2008-09	93	48	48	48
	2009-10	95	51	51	51
					(Millions of Pounds)
Total Amount Claimed	2008-09	300	1,220	430	1,950
	2009-10	440	1,930	640	3,010
Total Range Unclaimed	2008-09	30 : 140	790 : 1,380	270 : 520	1,200 : 2,010
	2009-10	10 : 160	780 : 1,230	350 : 590	1,280 : 1,950
					(Percentages)
Take-Up Ranges	2008-09	68 : 92	47 : 61	45 : 61	49 : 62
	2009-10	74 : 97	61 : 71	52 : 65	61 : 70

Note: The All category only includes Couples with Children, Single Males and Single Females
Estimates for couples presented for 2008-09 are based on combined 2007-08 and 2008-09 data.
Estimates for couples presented for 2009-10 are based on combined 2008-09 and 2009-10 data.

6.3.3 Commentary on take-up of Jobseeker's Allowance (Income-Based) by family type

- Take-up of Jobseeker's Allowance (IB) was highest for couples with children on both the caseload and expenditure measures. See charts 6.3.5 and 6.3.6 for a comparison between demographic groups.

- There was evidence of an increase in caseload take-up by couples with children of around 2 percentage points. However, caution is advised due to high levels of bias.

- There was evidence of an increase in caseload take-up by single males of at least 3 percentage points. However, caution is advised due to high levels of bias.

- There was evidence of an increase in caseload take-up by single females of around 6 percentage points. However, caution is advised due to high levels of bias.

- There was evidence of an increase in overall caseload take-up of at least 1 percentage point between 2008-09 and 2009-10, although we cannot be certain due to high levels of bias present in our modelling.

- The increase in take-up is driven by a very substantial increase in the number of recipients (44 per cent) with no evidence of a similar increase in the number of ENRs. The increase in recipients is due to the economic downturn during 2009-10 which would be expected to have this effect on the take-up of JSA (IB).

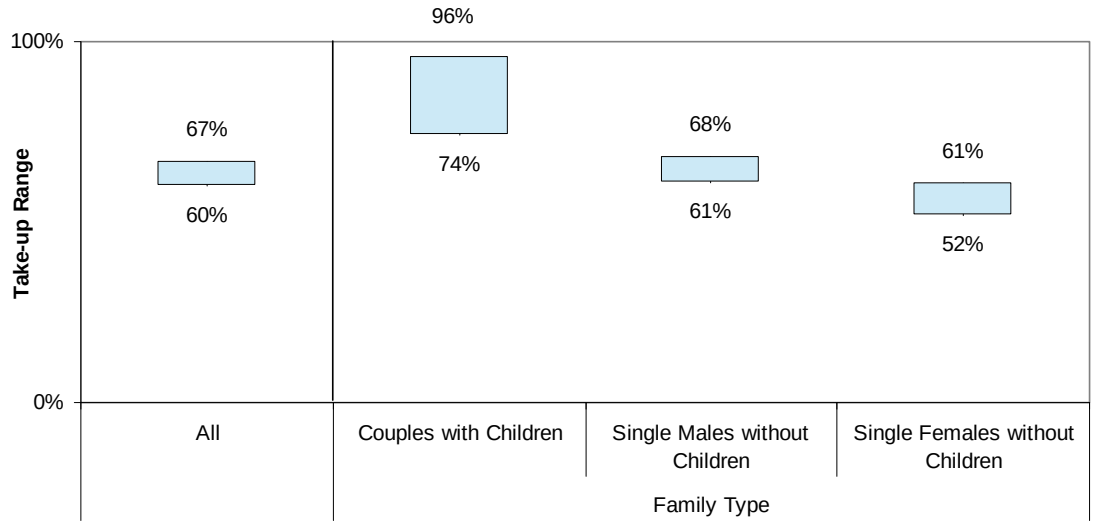
- In common with the other income-related benefits, average unclaimed amounts of Jobseeker's Allowance (IB) were lower than average amounts claimed for all family types. This resulted in slightly higher ranges of take-up rate by expenditure than by caseload.

6.3.4 Within year take-up of Jobseeker's Allowance (Income-Based) by family type for 2009-10

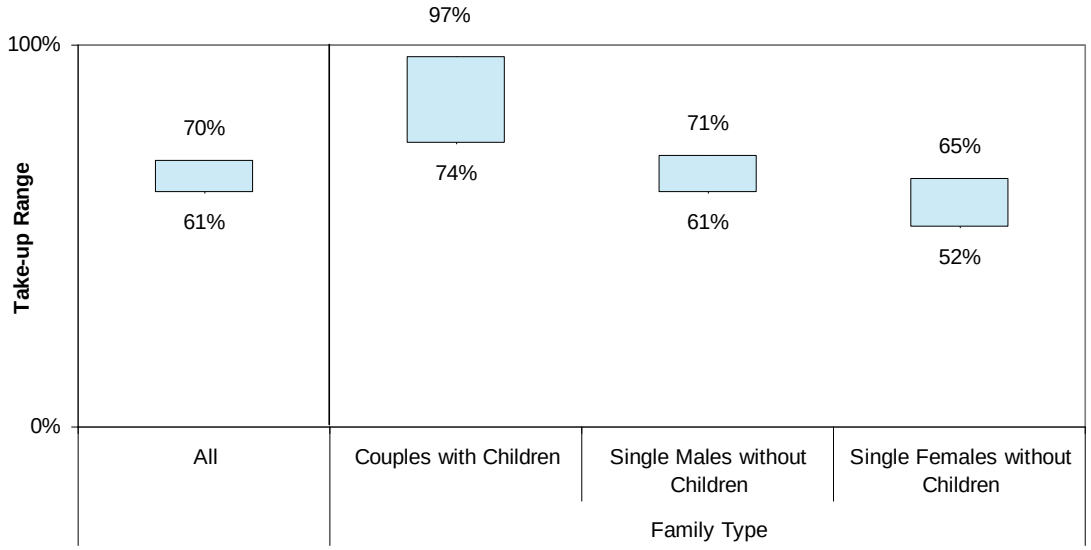
The charts below show the different demographic splits for which estimates of take-up are derived for 2009-10. They provide a comparison between the groups within the population.

Where ranges overlap it is not possible to say which group has higher or lower take-up and caution should be taken when interpreting groups with high bias; commentary related to these charts can be found with the associated tables above.

6.3.5 Caseload take-up of Jobseeker's Allowance (Income-Based) by family type for 2009-10



6.3.6 Expenditure take-up of Jobseeker's Allowance (Income-Based) by family type for 2009-10



6.4 Further analysis of those entitled to but not receiving Jobseeker's Allowance (Income-Based)

6.4.1 Introduction

In this section we describe the characteristics of those who were entitled to Jobseeker's Allowance (IB) but were not receiving it (Entitled Non-Recipients, or ENRs). Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled to and in receipt (Entitled Recipients, or ERs) of Jobseeker's Allowance and in doing so explore some of the possible causes of non-take-up. The tables show the percentage of ENRs and ERs against different characteristic groupings.

These analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits. Within the data there will be those who appear to be ENRs but will not all actually be ENRs and vice versa (for more on this see Chapter 8). Accordingly, these analyses should be treated with some caution.

6.4.2 Readers' notes

- Columns may not sum to 100 due to rounding.
- An equal percentage of ENRs and ERs in any one category does not mean that there is the same number of benefit units in that category.
- Some of the tables are based on combined 2008-09 and 2009-10 FRS data to make results more robust, for ethnicity 2007-08, 2008-09 and 2009-10 FRS data have been used.
- Benefit units have been classified according to the ethnic group of the head of the benefit unit, which means that information about others in the benefit unit is lost. Despite three years data being used, the figures presented here should still be treated with some caution, as the sample sizes are still small for certain ethnic minority groups.
- Where sample sizes are too small to show robust estimates '..' replaces figures.

6.4.3 Weekly Entitlement

Pounds per week	Percentage of ENRs	Percentage of ERs
Less than £50	41	15
£50 but less than £100	52	72
£100 or more	7	12
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- The table above shows that smaller amounts were less likely to be claimed: 15 per cent of ERs were entitled to less than £50 compared with 41 per cent of ENRs.

- One possible reason why people do not take-up benefits to which they are entitled is because they regard the amounts they might receive as not worth the effort of claiming. Alternatively, those with less entitlement may be less confident that they are entitled at all and therefore do not claim.

6.4.4 Disabled people

Disabled people	Percentage of ENRs	Percentage of ERs
Living with no disabled people	87	77
Living with at least one disabled person	13	23
Total	100	100

- 23 per cent of ERs had at least one disabled person (please refer to the glossary in section 1.10 for the definition of 'disabled') in the benefit unit, compared with 13 per cent of ENRs.

- These figures indicate that disability may be a factor in the decision to claim Jobseeker's Allowance, and that take-up was higher for those living with a disabled person.

6.4.5 Ethnicity

Ethnicity	Percentage of ENRs	Percentage of ERs
White	81	84
Mixed	..	..
Asian or Asian British	8	5
Black or Black British	5	6
Other	5	..
Total	100	100

Note: This table is based on a combination of 2007-08, 2008-09 and 2009-10 data.

- There were proportionately similar numbers of ENRs and ERs in each ethnic group, so it is not clear that there are differences in take-up by ethnicity.

- Figures for Mixed and Other populations have been suppressed due to small sample sizes.

6.4.6 Marital status

Marital Status	Percentage of ENRs	Percentage of ERs
Single	87	83
Couple - Cohabiting	2	8
Couple - Married	11	9
Total	100	100

- There were proportionately more ENRs than ERs who were single or married but the opposite was true of cohabiting couples.

- This indicates that take-up may have been higher for cohabiting couples than for other groups, but the difference is small.

6.4.7 Length of time between ceasing employment and claiming benefit

Another possible explanation for non-take-up is that some people may not claim Jobseeker's Allowance (IB) as soon as they become eligible to do so. For example, some people may be hoping that they will find employment quickly. We can get some feel for the extent of this behaviour by examining the FRS data, as people may not have got around to claiming benefit at the time of their FRS interview.

Unemployment length	Percentage of ENRs	Percentage of ERs
Unemployed for three months or less	16	7
Unemployed for longer than three months	84	93
Total	100	100

- The data showed that 16 per cent of ENRs had been unemployed for three months or less compared with 7 per cent of ERs.

- This suggests that length of time unemployed could be a factor affecting the take-up of Jobseeker's Allowance (IB).

- Length of time spent unemployed may also be a factor in the difference in take-up between single females and single males. Looking at males and females overall (not just those that are single) from DWP administrative records[17] lends support to this notion.

- On average, 33 per cent of males on JSA (IB) left within three months in 2009-10 compared to 39 per cent of females on JSA (IB) over the same period. This suggests that females had a tendency to have shorter spells on Jobseeker's Allowance (IB) when compared with males.

[17] Analysis of Jobseeker's Allowance Quarterly Statistical Enquiries May 2009 – February 2010.

6.4.8 Region/Country

Region / Country	Percentage of ENRs	Percentage of ERs
North East	4	6
North West	12	14
Yorkshire and the Humber	8	11
East Midlands	6	6
West Midlands	10	11
East of England	10	7
London	20	14
South East	13	10
South West	8	6
Wales	3	7
Scotland	7	9
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 20 per cent ENRs lived in London compared to only 14 per cent of ERs. This suggests that take-up may have been lower in London than in any other areas.

- There was no evidence to suggest differences in take-up between any other areas as differences are small.

6.4.9 Status in household

Status in household	Percentage of ENRs	Percentage of ERs
Head of household	30	52
Not head of household	70	48
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- Another possible explanation for non-take-up is that people may choose not to claim as they already receive some form of support from other members of their household. 30 per cent of ENRs were the head of their household compared with 52 per cent of ERs.

- This suggests that take-up was much lower among those who were not head of their household.

- In the case of single men and women, 79 per cent of single male and 75 per cent of single female ENRs were not the head of the household. Of these, more than 85 per cent of both sexes were living with their parents or step-parents.

6.4.10 Interaction between Jobseeker's Allowance (Income-Based) and Housing Benefit (HB)

Interaction with HB	Percentage of ENRs	Percentage of ERs
Housing Benefit ERs	5	42
Housing Benefit ENRs	9	3
Not entitled to HB	85	55
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 5 per cent of Jobseeker's Allowance (IB) ENRs were ERs of Housing Benefit.
- 9 per cent of Jobseeker's Allowance (IB) ENRs were also ENRs of Housing Benefit.
- 45 per cent of Jobseeker's Allowance (IB) ERs had an entitlement to Housing Benefit compared to 15 per cent of ENRs. This relates to the results and conclusions seen in Table 6.4.9 (above) in that ENRs were less likely to be head of their household and therefore less likely to have a rent liability. Figures may not sum due to rounding.

6.4.11 Interaction between Jobseeker's Allowance (Income-Based) and Council Tax Benefit (CTB)

Interaction with CTB	Percentage of ENRs	Percentage of ERs
Council Tax Benefit ERs	8	47
Council Tax Benefit ENRs	22	6
Not entitled to CTB	71	47
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- 22 per cent of Jobseeker's Allowance (IB) ENRs were also ENRs of Council Tax Benefit compared to only 6 per cent of ERs.
- 71 per cent of Jobseeker's Allowance (IB) ENRs were not entitled to Council Tax Benefit.
- 53 per cent of Jobseeker's Allowance (IB) ERs had an entitlement to Council Tax Benefit compared to 29 per cent of ENRs. This relates to the results and conclusions seen in Table 6.4.9 (above) in that ENRs were less likely to be head of their household and therefore less likely to have a Council Tax liability. Figures may not sum due to rounding.

6.4.12 Age profile

Age profile	Percentage of ENRs	Percentage of ERs
Under 25 years of age	52	43
25 years and over	48	57
Total	100	100

Note: This table is based on a combination of 2008-09 and 2009-10 data.

- ENRs were more likely to be younger than ERs, with 52 per cent of ENRs of Jobseeker's Allowance (IB) under 25 years of age, compared with 43 per cent of ERs.
- This was only true for single males and single females. Looking at couples with children within the ENR population showed that only 11 per cent were under 25 years of age and 89 per cent were over.

6.4.13 Below 60 per cent of contemporary median income

This section provides an analysis of the percentage of ENRs and ERs of Jobseeker's Allowance (IB) who were living in low-income households.

One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. Measures of low income are presented on two bases, Before Housing Costs (BHC) and After Housing Costs (AHC) are deducted from income.

This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[18]. Further details are available within the introduction at 1.8.6.

6.4.14 Table of the percentage of ENRs and ERs of Jobseeker's Allowance (IB) below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
All Families	**ENRs**	2008-09	59	69
		2009-10	65	71
	ERs	2008-09	69	80
		2009-10	63	76

Note: The figures for 2008-09 may differ from the previous publication due to the changes to the modelling approach described in Chapter 7.

- Before Housing Costs (BHC), the proportion of ENRs living in low-income households in 2009-10 was 65 per cent, which was very similar to the

[18] *Households Below Average Income 2009-10* (DWP) 2011 The report can be found at: http://research.dwp.gov.uk/asd/index.php?page=hbai

corresponding proportion of ERs. This is a change from the previous year when a greater proportion of ERs lived in low-income households than ENRS.

- After Housing Costs (AHC), 71 per cent of ENRs lived in low-income households, which was lower than the corresponding proportion of ERs, however this difference is not as pronounced as in 2008-09.

6.5 Trends in take-up over time

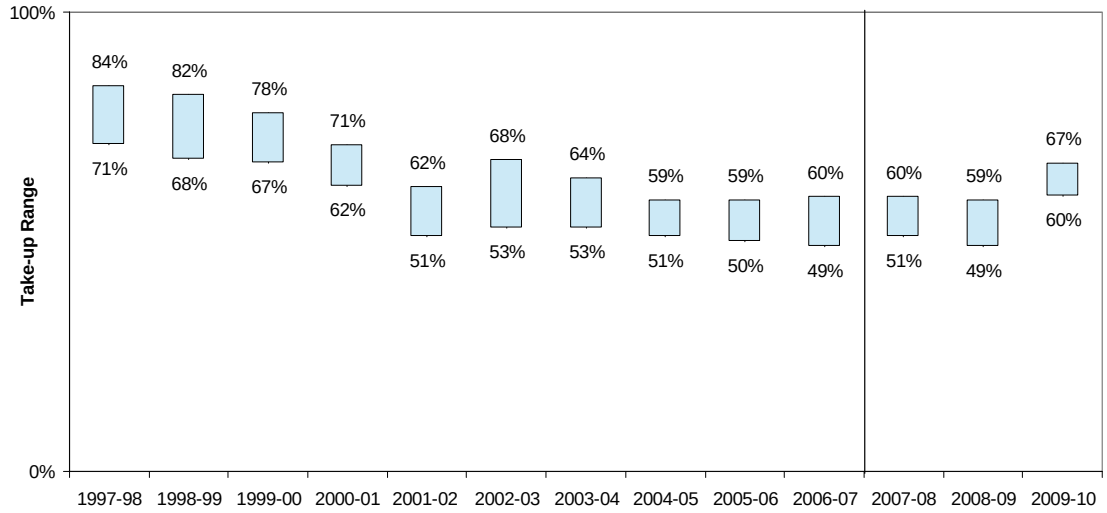
Below there are a number of time series charts for the trend in take-up of Jobseeker's Allowance (IB) for different family types since 1997-98. Further background information can be found in the introduction in 1.8.7.

The analysis refers back to 1997-98 in particular because this is the first complete financial year in which Jobseeker's Allowance (Income-Based) was available to benefit recipients.

The break in the time series between 2006-07 and 2007-08, shown on the graphs below, represents the change in the modelling approach as described in Chapter 7. The impacts this change had on the results for 2007-08 and 2008-09 are shown in full for each family type in section 7.6.

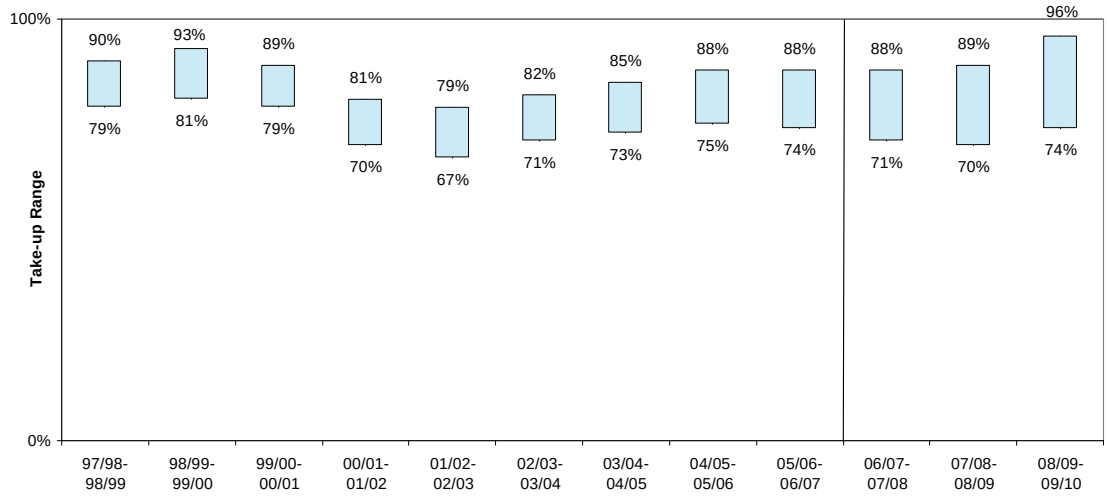
To understand in more detail what is meant by 'change in bias' in the commentary that follows, please refer to section 9.5 of the Appendix of this publication.

6.5.1 All Jobseeker's Allowance (IB)



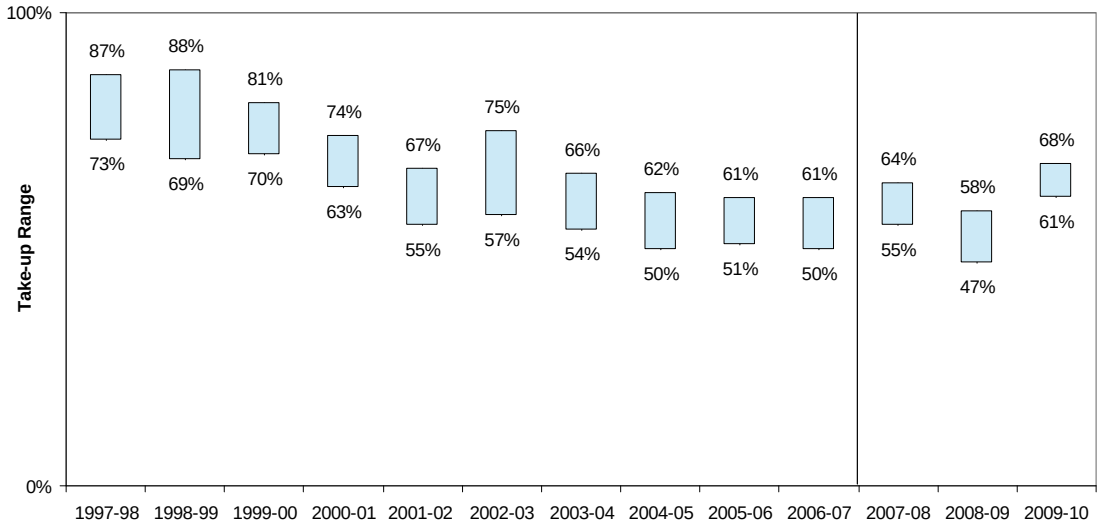
- Since 1997-98 there is evidence to suggest that the take-up of Jobseeker's Allowance (IB) has fallen by at least 3 percentage points although we cannot be certain due to high levels of bias.
- There was evidence of an increase in caseload take-up of around 1 percentage point between 2008-09 and 2009-10, although we cannot be certain due to high levels of bias.

6.5.2 Couples with children



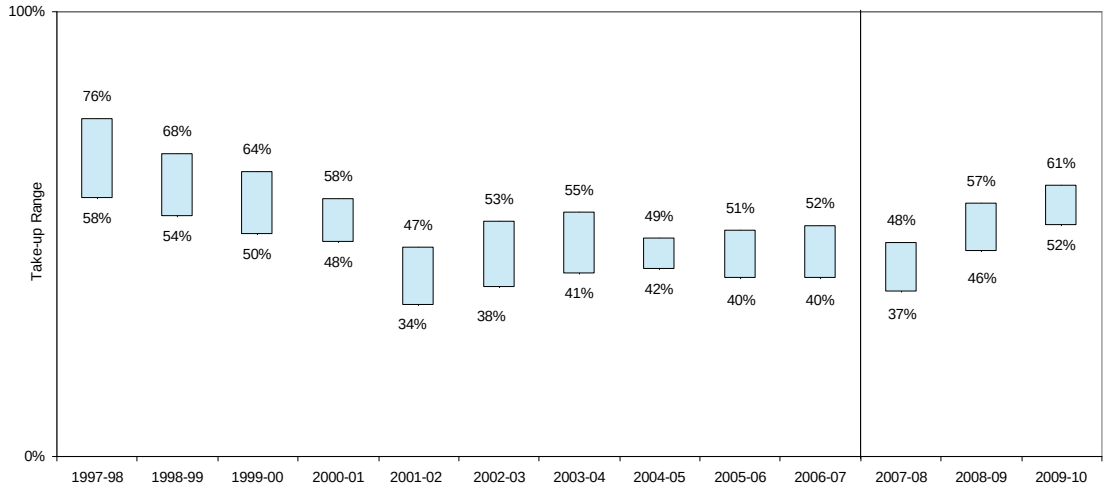
- Readers should note that couple estimates are based on combined two years of data.
- There was evidence to suggest that take-up fell between 1997-98 to 1998-99 and 2008-09 to 2009-10, by around 5 percentage points, although due to high and changing levels of bias we cannot be certain.
- There was evidence of an increase in caseload take-up of around 2 percentage points between 2008-09 and 2009-10, although we cannot be certain due to high levels of bias.

6.5.3 Single males without children



- Since the introduction of Jobseeker's Allowance (IB) in 1997-98, there was evidence to suggest that take-up by single males has fallen by at least 4 percentage points. However, caution is advised due to high levels of bias.
- There was evidence of an increase in caseload take-up of at least 3 percentage points between 2008-09 and 2009-10, although we cannot be certain due to high levels of bias.

6.5.4 Single females without children



- Since 1997-98, there was no evidence to suggest a change in take-up for single females without children, although we cannot be certain due to high levels of bias.
- There was evidence of an increase in caseload take-up of around 6 percentage points between 2008-09 and 2009-10, although we cannot be certain due to high levels of bias.

7 Revisions

7.1 Changes introduced since the last edition

7.1.1 Changes to the modelling that underpins Income Related Benefits: Estimates of Take-Up

The approach to modelling income related benefit entitlement for Family Resources Survey (FRS) respondents has been improved for this publication. This chapter will describe this change and give the revised statistics for 2007-08 and 2008-09 using this new approach. It is these revised statistics that are used in this publication and should take precedence over previously published results.

The revisions in this section show that the quantitative impact of this technical change is small, with the majority of the headline upper and lower take-up ranges varying by only 1 or 2 percentage points.

A technical note was produced earlier this year to describe this change and show the quantitative impact of it prior to it being used in publication. This can be found at: http://research.dwp.gov.uk/asd/index.php?page=irb_arc

The revision tables also reflect some small changes to the administrative data for Income Support & Employment and Support Allowance (Income-Related) and Jobseekers' Allowance (Income-Based) that we have made to introduce greater consistency with the other benefits; this is shown in section 7.6.

7.1.2 Details of the change

The take-up estimates rely on comparing information about benefit receipt from administrative sources with an estimate of the numbers who are entitled to, but not receiving, income related benefits (Entitled Non-Recipients or ENRs).

The ENR estimates are based on the Family Resources Survey (FRS). The procedure relies on a suite of computer programs to look at the reported information about incomes and personal circumstances, for each respondent. The aim is to mimic the benefit eligibility regulations and identify the income related benefits the respondent would be entitled to if they were to apply.

This modelled entitlement information can then be compared to the reported information about the benefits that they are actually receiving, and an initial estimate of ENRs can be obtained. After adjustment for sampling and non-sampling errors a range of possible ENRs can be published.

Previously the suite of computer programs that model benefit entitlement were maintained and updated by Statistical Services Division (SSD) purely for the purposes of producing National Statistics. This requires resource to ensure

the correct benefit rules are being applied and that any changes to benefit rules are incorporated.

The Department for Work and Pensions also maintains an internal static micro simulation model called the Policy Simulation Model (PSM). The aim of this model is similar to the suite of programs maintained by SSD. It also seeks to mimic the benefit regulations and apply them to FRS respondents in order to get benefit entitlement. It is widely used to simulate changes in the benefit and tax system, but can of course also model the system as it currently stands.

The technical change we have introduced is to use the PSM to identify income related benefit entitlement for FRS respondents rather than the previous SSD model.

The benefits from this technical change are as follows:

- Less risk of modelling error in the National Statistics, because the PSM is widely used and scrutinised by a wide user community, whereas the SSD model was not widely available.

- Less risk of error in the PSM (and therefore policy analysis within DWP) because of the extra scrutiny exercised by the National Statistics producers.

- Reduced resource requirement in updating, maintaining and validating a separate model.

- Greater transparency, at least for internal customers, in understanding exactly how the estimates are constructed.

- Consistency with other take-up modelling using the PSM.

7.1.3 Approach

In making this change our primary focus was to avoid any reduction in quality of the National Statistics estimates. A detailed comparison exercise was undertaken and where differences between the two modelling approaches came to light, reference to the published benefit regulations was made and one of four conclusions reached:

A. The PSM was found better to reflect the regulations and no further action was taken.

B. The SSD model was found better to reflect the regulations and an improvement was built into the PSM.

C. The SSD model was found to be more suitable from the point of view of National Statistics purposes, though the PSM offered a better option for policy analysts. In this case SSD analysts built their approach into a variant of the main PSM.

D. Both models were found to be equally valid in approach. In this case no further action was taken. The presumption was towards using the PSM approach to maximise the benefits of the change, as identified above.

However, the guiding principal to all changes to the systems as outlined in the points above was to result in a modelling approach which utilised the best of both the SSD model and PSM for the production of the National Statistics.

7.1.4 Reader's notes

- Revisions are presented for 2007-08 and 2008-09 for all statistics that have changed, those that are unaffected by changes are not shown.

- The change is shown for caseload and expenditure take-up ranges only and is derived from the revised figures minus the published figures. Therefore, a positive change indicates the revised figures have shown an increase while a negative change indicates the revised figures have shown a decrease, compared to the previously published figures.

- Due to rounding changes may not equal the difference between the totals for any pair of data points shown.

- Previously published figures are referred to as 'pub' in all of the tables in this chapter and the revised figures are referred to as 'rev'.

- The 2008-09 (rev) figures in the tables shown are the 2008-09 figures shown in the main results tables of this publication.

7.2 Revisions for Income Support & Employment and Support Allowance (Income-Related)

Please note that for Income Support & Employment and Support Allowance (Income-Related) the 2008-09 figures are also affected by some small changes to the administrative data that have been made to introduce greater consistency with the other benefits.

7.2.1 Revisions to take-up for Income Support and Employment and Support Allowance (Income-Related) for 2007-08 and 2008-09

	Year	Families with Children	Families without Children	All Families
Recipients (Thousands)	2008-09 (pub)	1020	1150	2170
	2008-09 (rev)	1020	1080	2100
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	70 : 150	200 : 460	280 : 600
	2007-08 (rev)	70 : 150	170 : 410	240 : 550
	2008-09 (pub)	80 : 170	160 : 440	250 : 600
	2008-09 (rev)	80 : 180	120 : 360	210 : 520
Caseload Take-Up Ranges (%)	2007-08 (pub)	87 : 94	70 : 84	78 : 88
	2007-08 (rev)	87 : 94	72 : 86	79 : 90
	Change	0 : 0	2 : 2	1 : 1
	2008-09 (pub)	86 : 93	72 : 88	78 : 90
	2008-09 (rev)	85 : 93	75 : 90	80 : 91
	Change	-1 : 0	3 : 2	2 : 1
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	55	44	47
	2007-08 (rev)	54	41	45
	2008-09 (pub)	54	45	49
	2008-09 (rev)	60	52	55
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	59	36	45
	2007-08 (rev)	57	36	43
	2008-09 (pub)	61	30	42
	2008-09 (rev)	61	48	59
Total Claimed (£ Millions)	2008-09 (pub)	4,750	3,940	8,690
	2008-09 (rev)	4,900	4,020	8,920
Total Range Unclaimed (£ Millions)	2007-08 (pub)	170 : 460	410 : 1,160	630 : 1,550
	2007-08 (rev)	170 : 470	320 : 950	520 : 1,360
	2008-09 (pub)	200 : 540	340 : 1,130	590 : 1,630
	2008-09 (rev)	230 : 620	290 : 1,060	550 : 1,590
Expenditure Take-Up Ranges (%)	2007-08 (pub)	92 : 97	77 : 90	85 : 93
	2007-08 (rev)	92 : 97	80 : 92	87 : 94
	Change	0 : 0	3 : 2	1 : 1
	2008-09 (pub)	90 : 96	78 : 92	84 : 94
	2008-09 (rev)	89 : 95	79 : 93	85 : 94
	Change	-1 : -1	1 : 1	1 : 0

7.2.2 Revisions to take-up by families with children for Income Support and Employment and Support Allowance (Income-Related) for 2007-08 and 2008-09

	Year	Couples with Children	Singles with Children
Recipients (Thousands)	2008-09 (pub)	160	860
	2008-09 (rev)	160	860
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	10 : 50	50 : 110
	2007-08 (rev)	10 : 50	50 : 110
	2008-09 (pub)	20 : 60	50 : 120
	2008-09 (rev)	20 : 60	60 : 130
Caseload Take-Up Ranges (%)	2007-08 (pub)	77 : 93	89 : 94
	2007-08 (rev)	76 : 92	89 : 95
	Change	-1 : -1	0 : 0
	2008-09 (pub)	73 : 87	88 : 94
	2008-09 (rev)	74 : 88	87 : 94
	Change	1 : 1	-1 : -1
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	61	52
	2007-08 (rev)	61	50
	2008-09 (pub)	59	52
	2008-09 (rev)	62	60
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	47	59
	2007-08 (rev)	44	59
	2008-09 (pub)	44	61
	2008-09 (rev)	44	61
Total Claimed (£ Millions)	2008-09 (pub)	950	3,790
	2008-09 (rev)	1,000	3,900
Total Range Unclaimed (£ Millions)	2007-08 (pub)	30 : 170	130 : 320
	2007-08 (rev)	40 : 180	120 : 320
	2008-09 (pub)	60 : 220	120 : 360
	2008-09 (rev)	60 : 210	160 : 450
Expenditure Take-Up Ranges (%)	2007-08 (pub)	86 : 97	93 : 97
	2007-08 (rev)	85 : 97	93 : 97
	Change	-1 : -1	0 : 0
	2008-09 (pub)	81 : 94	91 : 97
	2008-09 (rev)	82 : 95	90 : 96
	Change	1 : 0	-2 : -1

7.2.3 Revisions to take-up by families without children for Income Support and Employment and Support Allowance (Income-Related) for 2007-08 and 2008-09

	Year	Couples	Singles Males	Single Females
Recipients (Thousands)	2008-09 (pub)	110	580	460
	2008-09 (rev)	110	540	430
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	20 : 50	100 : 270	70 : 170
	2007-08 (rev)	20 : 40	80 : 240	60 : 150
	2008-09 (pub)	20 : 50	60 : 220	70 : 190
	2008-09 (rev)	20 : 50	40 : 180	40 : 150
Caseload Take-Up Ranges (%)	2007-08 (pub)	70 : 82	66 : 84	72 : 87
	2007-08 (rev)	73 : 86	68 : 87	74 : 88
	Change	4 : 4	3 : 3	2 : 2
	2008-09 (pub)	68 : 82	72 : 91	71 : 87
	2008-09 (rev)	69 : 83	75 : 93	75 : 91
	Change	1 : 1	3 : 2	4 : 3
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	54	40	46
	2007-08 (rev)	54	38	40
	2008-09 (pub)	56	40	47
	2008-09 (rev)	61	46	57
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	43	30	46
	2007-08 (rev)	45	34	34
	2008-09 (pub)	39	27	35
	2008-09 (rev)	51	40	56
Total Claimed (£ Millions)	2008-09 (pub)	440	1,930	1,560
	2008-09 (rev)	470	1,980	1,580
Total Range Unclaimed (£ Millions)	2007-08 (pub)	50 : 150	180 : 650	140 : 450
	2007-08 (rev)	40 : 130	140 : 560	100 : 360
	2008-09 (pub)	60 : 180	100 : 530	140 : 530
	2008-09 (rev)	60 : 180	80 : 500	110 : 490
Expenditure Take-Up Ranges (%)	2007-08 (pub)	75 : 90	74 : 91	77 : 92
	2007-08 (rev)	78 : 92	77 : 93	81 : 94
	Change	3 : 2	3 : 2	3 : 2
	2008-09 (pub)	71 : 88	79 : 95	75 : 92
	2008-09 (rev)	72 : 89	80 : 96	76 : 93
	Change	1 : 1	1 : 1	1 : 2

7.3 Revisions for Pension Credit

Please note that for Pension Credit the 2007-08 figures are also affected by a difference in the data linking methodology used, and do not just reflect the change caused by the move to the PSM. This is due to the data linking methodology being improved for 2008-09 and the approach used in 2007-08 not being suitable for use against the PSM output. In order to overcome this, we have applied the 2008-09 data linking methodology to the 2007-08 data.

7.3.1 Revisions to take-up for Pension Credit for 2007-08 and 2008-09

	Year	Couples	Singles Males	Single Females	All
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	360 : 540	220 : 330	520 : 880	1,110 : 1,710
	2007-08 (rev)	320 : 470	170 : 320	470 : 760	980 : 1,530
	2008-09 (pub)	350 : 600	170 : 290	440 : 730	980 : 1,600
	2008-09 (rev)	320 : 580	160 : 290	410 : 680	910 : 1,520
Caseload Take-Up Ranges (%)	2007-08 (pub)	54 : 63	62 : 71	63 : 74	61 : 70
	2007-08 (rev)	57 : 66	62 : 76	66 : 76	63 : 73
	Change	3 : 3	0 : 5	3 : 2	3 : 3
	2008-09 (pub)	51 : 64	65 : 76	66 : 77	62 : 73
	2008-09 (rev)	51 : 65	65 : 77	68 : 78	63 : 74
	Change	1 : 1	0 : 1	2 : 1	1 : 1
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	38	31	27	31
	2007-08 (rev)	36	30	27	30
	2008-09 (pub)	40	28	30	34
	2008-09 (rev)	39	30	31	34
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	22	19	19	20
	2007-08 (rev)	21	19	19	20
	2008-09 (pub)	23	16	21	21
	2008-09 (rev)	24	19	22	22
Total Range Unclaimed (£ Millions)	2007-08 (pub)	650 : 1,150	310 : 590	680 : 1,300	1,740 : 2,930
	2007-08 (rev)	540 : 960	240 : 560	610 : 1,110	1,450 : 2,500
	2008-09 (pub)	660 : 1,340	220 : 480	650 : 1,230	1,630 : 2,930
	2008-09 (rev)	610 : 1,290	230 : 510	630 : 1,180	1,530 : 2,810
Expenditure Take-Up Ranges (%)	2007-08 (pub)	62 : 75	71 : 82	73 : 84	70 : 80
	2007-08 (rev)	66 : 78	72 : 86	76 : 85	73 : 83
	Change	4 : 3	1 : 4	3 : 1	3 : 3
	2008-09 (pub)	60 : 75	76 : 88	75 : 85	71 : 81
	2008-09 (rev)	61 : 77	75 : 87	75 : 85	72 : 82
	Change	1 : 1	-1 : 0	1 : 0	1 : 1

7.3.2 Revisions to take-up for Guarantee Credit only for 2007-08 and 2008-09

	Year	Couples	Singles Males	Single Females	All
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	60 : 100	60 : 90	60 : 140	190 : 310
	2007-08 (rev)	70 : 120	50 : 110	50 : 130	180 : 340
	2008-09 (pub)	50 : 120	30 : 70	90 : 180	180 : 350
	2008-09 (rev)	50 : 120	30 : 70	80 : 170	170 : 340
Caseload Take-Up Ranges (%)	2007-08 (pub)	66 : 75	70 : 79	74 : 88	72 : 81
	2007-08 (rev)	62 : 74	65 : 79	76 : 89	70 : 81
	Change	-5 : -1	-5 : 1	2 : 1	-2 : 0
	2008-09 (pub)	63 : 78	76 : 88	72 : 84	71 : 83
	2008-09 (rev)	62 : 80	77 : 89	72 : 84	72 : 84
	Change	0 : 1	0 : 1	1 : 1	0 : 1
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	83	62	58	68
	2007-08 (rev)	74	62	56	64
	2008-09 (pub)	93	68	61	75
	2008-09 (rev)	91	67	61	72
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	69	47	46	55
	2007-08 (rev)	62	47	47	53
	2008-09 (pub)	76	54	47	56
	2008-09 (rev)	76	56	44	56
Total Range Unclaimed (£ Millions)	2007-08 (pub)	250 : 450	160 : 320	150 : 470	620 : 1,180
	2007-08 (rev)	230 : 500	150 : 400	140 : 410	570 : 1,210
	2008-09 (pub)	230 : 610	90 : 280	250 : 620	660 : 1,450
	2008-09 (rev)	210 : 610	80 : 270	240 : 600	590 : 1,370
Expenditure Take-Up Ranges (%)	2007-08 (pub)	70 : 81	75 : 86	76 : 91	74 : 85
	2007-08 (rev)	67 : 82	70 : 86	78 : 91	74 : 86
	Change	-2 : 1	-5 : 0	2 : 1	0 : 1
	2008-09 (pub)	65 : 83	79 : 92	73 : 87	72 : 85
	2008-09 (rev)	65 : 84	80 : 93	74 : 87	74 : 87
	Change	0 : 1	1 : 1	1 : 0	1 : 1

7.3.3 Revisions to take-up for Guarantee Credit and Savings Credit for 2007-08 and 2008-09

	Year	Couples	Singles Males	Single Females	All
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	70 : 120	40 : 70	190 : 470	310 : 650
	2007-08 (rev)	70 : 120	30 : 100	160 : 350	270 : 550
	2008-09 (pub)	70 : 130	30 : 80	130 : 270	240 : 460
	2008-09 (rev)	70 : 140	30 : 90	120 : 260	240 : 470
Caseload Take-Up Ranges (%)	2007-08 (pub)	65 : 76	74 : 86	63 : 81	66 : 80
	2007-08 (rev)	65 : 76	68 : 87	69 : 83	69 : 82
	Change	0 : -1	-5 : 2	7 : 3	4 : 2
	2008-09 (pub)	63 : 75	72 : 87	73 : 85	72 : 83
	2008-09 (rev)	62 : 76	70 : 87	74 : 86	71 : 83
	Change	-1 : 1	-2 : -1	0 : 0	0 : 0
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	41	34	34	36
	2007-08 (rev)	43	31	34	35
	2008-09 (pub)	42	30	34	36
	2008-09 (rev)	42	32	35	36
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	36	27	28	30
	2007-08 (rev)	36	25	28	30
	2008-09 (pub)	36	27	28	30
	2008-09 (rev)	36	26	29	30
Total Range Unclaimed (£ Millions)	2007-08 (pub)	140 : 280	50 : 150	320 : 880	550 : 1,270
	2007-08 (rev)	140 : 290	50 : 180	260 : 650	470 : 1,050
	2008-09 (pub)	150 : 310	40 : 140	220 : 510	440 : 910
	2008-09 (rev)	140 : 320	50 : 160	210 : 510	430 : 930
Expenditure Take-Up Ranges (%)	2007-08 (pub)	71 : 84	75 : 89	68 : 85	70 : 84
	2007-08 (rev)	70 : 83	71 : 91	74 : 88	74 : 86
	Change	-1 : -1	-4 : 2	6 : 2	4 : 2
	2008-09 (pub)	70 : 83	77 : 92	78 : 89	76 : 87
	2008-09 (rev)	69 : 83	74 : 91	78 : 89	76 : 87
	Change	-1 : 0	-3 : -1	0 : 0	0 : 0

7.3.4 Revisions to take-up for Savings Credit only for 2007-08 and 2008-09

	Year	Couples	Singles Males	Single Females	All
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	180 : 240	70 : 90	180 : 230	430 : 550
	2007-08 (rev)	170 : 240	60 : 100	150 : 250	400 : 570
	2008-09 (pub)	210 : 340	100 : 140	180 : 260	500 : 720
	2008-09 (rev)	200 : 330	90 : 150	150 : 220	450 : 680
Caseload Take-Up Ranges (%)	2007-08 (pub)	46 : 54	58 : 64	54 : 60	52 : 58
	2007-08 (rev)	46 : 54	55 : 65	52 : 64	51 : 60
	Change	1 : 1	-3 : 1	-2 : 4	-1 : 2
	2008-09 (pub)	37 : 48	47 : 56	50 : 59	44 : 54
	2008-09 (rev)	38 : 50	44 : 56	54 : 64	46 : 56
	Change	1 : 2	-2 : 0	4 : 5	1 : 3
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	11	10	10	10
	2007-08 (rev)	11	9	10	10
	2008-09 (pub)	11	9	10	10
	2008-09 (rev)	12	9	11	11
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	11	9	9	10
	2007-08 (rev)	10	9	9	9
	2008-09 (pub)	9	8	11	9
	2008-09 (rev)	10	9	10	10
Total Range Unclaimed (£ Millions)	2007-08 (pub)	100 : 150	30 : 50	90 : 120	220 : 300
	2007-08 (rev)	90 : 140	30 : 50	70 : 140	200 : 310
	2008-09 (pub)	110 : 210	40 : 70	90 : 150	260 : 400
	2008-09 (rev)	110 : 210	40 : 80	80 : 130	240 : 400
Expenditure Take-Up Ranges (%)	2007-08 (pub)	52 : 63	61 : 71	59 : 67	58 : 65
	2007-08 (rev)	53 : 64	60 : 73	56 : 70	57 : 67
	Change	1 : 2	-1 : 2	-3 : 3	-1 : 3
	2008-09 (pub)	44 : 59	53 : 66	54 : 65	50 : 61
	2008-09 (rev)	43 : 59	49 : 65	57 : 69	51 : 63
	Change	-1 : 0	-4 : -1	3 : 4	0 : 1

7.4 Revisions for Housing Benefit

7.4.1 Revisions to caseload take-up by family type for Housing Benefit for 2007-08 and 2008-09

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Single with Children	Non-Pensioners without Children	
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	210 : 380	370 : 630	80 : 150	80 : 180	180 : 340	600 : 990
	2007-08 (rev)	230 : 400	350 : 620	70 : 140	90 : 180	170 : 330	600 : 990
	2008-09 (pub)	220 : 380	440 : 820	130 : 220	70 : 210	220 : 430	680 : 1,180
	2008-09 (rev)	240 : 410	450 : 810	110 : 210	120 : 220	200 : 410	700 : 1,200
Caseload Take-Up Ranges (%)	2007-08 (pub)	81 : 88	79 : 87	61 : 73	84 : 92	78 : 87	80 : 87
	2007-08 (rev)	80 : 87	79 : 87	63 : 76	84 : 92	79 : 88	80 : 87
	Change	-1 : -1	1 : 1	2 : 2	0 : 0	1 : 1	0 : 0
	2008-09 (pub)	80 : 87	75 : 85	58 : 70	81 : 93	75 : 85	77 : 86
	2008-09 (rev)	79 : 86	76 : 85	60 : 74	80 : 89	76 : 87	77 : 85
	Change	-1 : -1	0 : 0	1 : 3	-1 : -4	1 : 1	0 : 0

7.4.2 Revisions to expenditure take-up by family type for Housing Benefit for 2007-08 and 2008-09

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Single with Children	Non-Pensioners without Children	
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	39	49	54	47	48	46
	2007-08 (rev)	43	49	53	48	47	46
	2008-09 (pub)	47	56	63	54	52	53
	2008-09 (rev)	49	52	57	49	50	51
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	39	43	47	41	43	41
	2007-08 (rev)	42	44	51	42	42	42
	2008-09 (pub)	43	48	55	46	46	46
	2008-09 (rev)	46	44	52	40	42	45
Total Range Unclaimed (£ Millions)	2007-08 (pub)	410 : 820	880 : 1,730	200 : 460	180 : 490	400 : 930	1,350 : 2,470
	2007-08 (rev)	490 : 930	830 : 1,680	180 : 430	190 : 510	360 : 880	1,370 : 2,510
	2008-09 (pub)	500 : 1,000	1,200 : 2,540	380 : 800	170 : 660	540 : 1,270	1,780 : 3,410
	2008-09 (rev)	560 : 1,100	1,130 : 2,320	290 : 700	260 : 630	460 : 1,190	1,760 : 3,310
Expenditure Take-Up Ranges (%)	2007-08 (pub)	86 : 93	84 : 91	67 : 82	89 : 96	82 : 91	85 : 91
	2007-08 (rev)	84 : 91	84 : 92	69 : 84	88 : 95	83 : 92	85 : 91
	Change	-2 : -1	0 : 1	2 : 2	-1 : 0	1 : 1	0 : 0
	2008-09 (pub)	84 : 91	81 : 90	64 : 79	87 : 96	80 : 90	82 : 90
	2008-09 (rev)	82 : 90	82 : 90	67 : 83	87 : 94	81 : 92	83 : 90
	Change	-1 : -1	1 : 1	3 : 4	0 : -2	1 : 1	0 : 0

7.4.3 Revisions to take-up by tenure type for Housing Benefit for 2007-08 and 2008-09

	Year	Social Rented Sector Tenants	Rented Privately	All
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	260 : 470	320 : 540	600 : 990
	2007-08 (rev)	290 : 500	300 : 520	600 : 990
	2008-09 (pub)	220 : 460	440 : 740	680 : 1,180
	2008-09 (rev)	300 : 530	390 : 690	700 : 1,200
Caseload Take-Up Ranges (%)	2007-08 (pub)	87 : 92	62 : 73	80 : 87
	2007-08 (rev)	86 : 91	63 : 75	80 : 87
	Change	-1 : -1	1 : 2	0 : 0
	2008-09 (pub)	87 : 93	57 : 69	77 : 86
	2008-09 (rev)	85 : 91	59 : 72	77 : 85
	Change	-2 : -2	2 : 3	0 : 0
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	38	55	46
	2007-08 (rev)	40	55	46
	2008-09 (pub)	42	63	53
	2008-09 (rev)	42	61	51
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	38	50	41
	2007-08 (rev)	39	48	42
	2008-09 (pub)	40	57	46
	2008-09 (rev)	40	52	45
Total Range Unclaimed (£ Millions)	2007-08 (pub)	480 : 990	840 : 1,660	1,350 : 2,480
	2007-08 (rev)	560 : 1,090	780 : 1,600	1,370 : 2,510
	2008-09 (pub)	460 : 1,070	1,350 : 2,630	1,780 : 3,410
	2008-09 (rev)	610 : 1,230	1,130 : 2,340	1,760 : 3,310
Expenditure Take-Up Ranges (%)	2007-08 (pub)	91 : 95	71 : 83	85 : 91
	2007-08 (rev)	90 : 95	72 : 84	85 : 91
	Change	-1 : -1	1 : 1	0 : 0
	2008-09 (pub)	91 : 96	66 : 79	82 : 90
	2008-09 (rev)	90 : 95	69 : 82	83 : 90
	Change	-1 : -1	3 : 3	0 : 0

7.4.4 Revisions to take-up by employment status for Housing Benefit for 2007-08 and 2008-09

	Year	In Employment	Not in Employment	All Non-pensioners
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	270 : 460	90 : 190	370 : 630
	2007-08 (rev)	260 : 450	80 : 170	350 : 620
	2008-09 (pub)	340 : 590	100 : 240	440 : 820
	2008-09 (rev)	350 : 600	90 : 220	450 : 810
Caseload Take-Up Ranges (%)	2007-08 (pub)	41 : 54	92 : 96	79 : 87
	2007-08 (rev)	42 : 55	92 : 96	79 : 87
	Change	0 : 1	0 : 0	0 : 1
	2008-09 (pub)	38 : 51	90 : 96	76 : 85
	2008-09 (rev)	38 : 51	91 : 96	76 : 85
	Change	0 : -1	1 : 0	0 : 0
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	41	70	49
	2007-08 (rev)	42	67	49
	2008-09 (pub)	48	78	56
	2008-09 (rev)	44	77	52
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	34	60	43
	2007-08 (rev)	32	59	44
	2008-09 (pub)	36	72	48
	2008-09 (rev)	33	72	44
Total Range Unclaimed (£ Millions)	2007-08 (pub)	530 : 1,050	290 : 740	880 : 1,730
	2007-08 (rev)	520 : 1,060	260 : 670	830 : 1,680
	2008-09 (pub)	780 : 1,600	350 : 1,070	1,200 : 2,540
	2008-09 (rev)	730 : 1,470	330 : 970	1,130 : 2,320
Expenditure Take-Up Ranges (%)	2007-08 (pub)	48 : 65	92 : 97	84 : 91
	2007-08 (rev)	48 : 66	92 : 97	84 : 92
	Change	0 : 1	1 : 0	0 : 1
	2008-09 (pub)	44 : 62	90 : 96	81 : 90
	2008-09 (rev)	47 : 64	91 : 97	82 : 90
	Change	2 : 2	1 : 0	1 : 1

7.5 Revisions for Council Tax Benefit

7.5.1 Revisions to caseload take-up by family type for Council Tax Benefit for 2007-08 and 2008-09

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Single with Children	Non-Pensioners without Children	
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	1,780 : 2,310	460 : 790	130 : 190	60 : 180	250 : 450	2,330 : 3,060
	2007-08 (rev)	1,750 : 2,250	400 : 690	110 : 160	40 : 150	240 : 400	2,170 : 2,910
	2008-09 (pub)	1,430 : 1,970	590 : 990	250 : 370	100 : 220	190 : 430	2,130 : 2,930
	2008-09 (rev)	1,530 : 2,020	500 : 890	230 : 330	70 : 180	190 : 410	2,060 : 2,880
Caseload Take-Up Ranges (%)	2007-08 (pub)	53 : 60	75 : 84	57 : 66	84 : 94	72 : 82	62 : 68
	2007-08 (rev)	54 : 60	77 : 85	60 : 69	86 : 96	74 : 83	63 : 70
	Change	1 : 0	2 : 2	3 : 3	3 : 3	2 : 1	1 : 2
	2008-09 (pub)	56 : 64	72 : 81	48 : 57	80 : 90	75 : 87	63 : 70
	2008-09 (rev)	56 : 62	74 : 83	51 : 60	83 : 93	76 : 87	64 : 71
	Change	-1 : -2	2 : 2	3 : 3	3 : 3	1 : 0	0 : 1

7.5.2 Revisions to expenditure take-up by family type for Council Tax Benefit for 2007-08 and 2008-09

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups			All
				Couples with Children	Single with Children	Non-Pensioners without Children	
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	14	12	12	10	13	13
	2007-08 (rev)	13	12	12	10	13	13
	2008-09 (pub)	14	13	13	11	14	14
	2008-09 (rev)	14	13	13	11	14	13
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	13	12	12	11	13	13
	2007-08 (rev)	12	12	12	12	13	12
	2008-09 (pub)	14	12	12	11	13	13
	2008-09 (rev)	13	13	13	12	13	13
Total Range Unclaimed (£ Millions)	2007-08 (pub)	1,240 : 1,690	280 : 520	70 : 130	30 : 110	180 : 320	1,570 : 2,160
	2007-08 (rev)	1,150 : 1,550	240 : 460	60 : 110	20 : 90	150 : 290	1,400 : 1,980
	2008-09 (pub)	1,030 : 1,500	370 : 690	160 : 270	50 : 130	140 : 330	1,490 : 2,150
	2008-09 (rev)	1,050 : 1,460	320 : 620	150 : 250	30 : 110	130 : 310	1,400 : 2,040
Expenditure Take-Up Ranges (%)	2007-08 (pub)	54 : 62	77 : 86	63 : 75	87 : 96	72 : 83	63 : 70
	2007-08 (rev)	56 : 64	79 : 88	66 : 78	89 : 98	74 : 85	66 : 73
	Change	2 : 2	2 : 2	3 : 3	2 : 2	2 : 1	2 : 2
	2008-09 (pub)	57 : 66	74 : 84	53 : 66	83 : 93	75 : 88	65 : 73
	2008-09 (rev)	58 : 66	76 : 86	56 : 68	86 : 95	76 : 89	66 : 74
	Change	1 : 0	2 : 2	3 : 2	3 : 2	1 : 1	1 : 1

7.5.3 Revisions to take-up by tenure type for Council Tax Benefit for 2007-08 and 2008-09

	Year	Social Rented Sector Tenants	Rented Privately	Owner Occupier	All
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	220 : 420	180 : 320	1,910 : 2,350	2,330 : 3,060
	2007-08 (rev)	180 : 390	80 : 230	1,890 : 2,320	2,170 : 2,910
	2008-09 (pub)	170 : 420	190 : 330	1,750 : 2,220	2,130 : 2,930
	2008-09 (rev)	140 : 400	110 : 260	1,790 : 2,260	2,060 : 2,880
Caseload Take-Up Ranges (%)	2007-08 (pub)	87 : 93	68 : 80	36 : 41	62 : 68
	2007-08 (rev)	88 : 94	76 : 90	36 : 41	63 : 70
	Change	1 : 1	7 : 10	0 : 0	1 : 2
	2008-09 (pub)	87 : 94	68 : 79	39 : 44	63 : 70
	2008-09 (rev)	88 : 95	73 : 86	38 : 44	64 : 71
	Change	1 : 1	5 : 7	0 : 0	0 : 1
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	11	14	14	13
	2007-08 (rev)	10	13	13	13
	2008-09 (pub)	11	14	14	14
	2008-09 (rev)	11	13	14	13
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	11	14	13	13
	2007-08 (rev)	11	13	13	12
	2008-09 (pub)	12	14	14	13
	2008-09 (rev)	11	12	13	13
Total Range Unclaimed (£ Millions)	2007-08 (pub)	110 : 240	120 : 240	1,340 : 1,730	1,570 : 2,160
	2007-08 (rev)	90 : 210	50 : 160	1,270 : 1,650	1,400 : 1,980
	2008-09 (pub)	90 : 260	130 : 260	1,260 : 1,690	1,490 : 2,150
	2008-09 (rev)	70 : 230	70 : 180	1,260 : 1,680	1,400 : 2,040
Expenditure Take-Up Ranges (%)	2007-08 (pub)	90 : 95	69 : 82	38 : 44	63 : 70
	2007-08 (rev)	91 : 96	77 : 92	39 : 46	66 : 73
	Change	1 : 1	8 : 9	1 : 1	2 : 2
	2008-09 (pub)	90 : 96	69 : 81	41 : 48	65 : 73
	2008-09 (rev)	91 : 97	75 : 89	41 : 48	66 : 74
	Change	1 : 1	7 : 8	0 : 0	1 : 1

7.6 Revisions for Jobseeker's Allowance (Income-Based)

Please note that for Jobseeker's Allowance (IB) the 2008-09 figures are also affected by some small changes to the administrative data that have been made to introduce greater consistency with the other benefits.

7.6.1 Revisions to caseload take-up by family type for Jobseeker's Allowance (Income Based) for 2007-08 and 2008-09

	Year	Couples with Children	Singles Males	Single Females	All
Recipients (Thousands)	2008-09 (pub)	60	560	200	820
	2008-09 (rev)	60	420	150	630
Range of Entitled Non-Recipients (Thousands)	2007-08 (pub)	10 : 20	190 : 270	150 : 220	360 : 490
	2007-08 (rev)	10 : 30	190 : 280	140 : 230	350 : 520
	2008-09 (pub)	10 : 30	390 : 680	150 : 260	570 : 940
	2008-09 (rev)	10 : 30	300 : 470	120 : 180	440 : 660
Caseload Take-Up Ranges (%)	2007-08 (pub)	71 : 87	56 : 65	38 : 47	52 : 60
	2007-08 (rev)	71 : 88	55 : 64	37 : 48	51 : 60
	Change	-1 : 1	-1 : 0	-1 : 0	-1 : 0
	2008-09 (pub)	69 : 87	45 : 59	44 : 58	47 : 59
	2008-09 (rev)	70 : 89	47 : 58	46 : 57	49 : 59
	Change	1 : 3	2 : -1	2 : -1	2 : 0

7.6.2 Revisions to expenditure take-up by family type for Jobseeker's Allowance (Income Based) for 2007-08 and 2008-09

	Year	Couples with Children	Single Males	Single Females	All
Average Weekly Amounts Unclaimed (£)	2007-08 (pub)	70	49	49	51
	2007-08 (rev)	80	49	51	53
	2008-09 (pub)	69	49	48	51
	2008-09 (rev)	84	53	50	55
Median Weekly Amounts Unclaimed (£)	2007-08 (pub)	90	47	47	47
	2007-08 (rev)	90	47	47	47
	2008-09 (pub)	84	48	48	48
	2008-09 (rev)	93	48	48	48
Total Claimed (£ Millions)	2008-09 (pub)	300	1,630	570	2,500
	2008-09 (rev)	300	1,220	430	1,950
Total Range Unclaimed (£ Millions)	2007-08 (pub)	30 : 100	450 : 730	340 : 590	870 : 1,410
	2007-08 (rev)	30 : 130	450 : 770	340 : 650	920 : 1,500
	2008-09 (pub)	30 : 120	950 : 1,820	340 : 690	1,450 : 2,580
	2008-09 (rev)	30 : 140	790 : 1,380	270 : 520	1,200 : 2,010
Expenditure Take-Up Ranges (%)	2007-08 (pub)	74 : 91	57 : 69	38 : 51	54 : 65
	2007-08 (rev)	69 : 91	56 : 68	36 : 51	52 : 64
	Change	-5 : 1	-1 : 0	-2 : 0	-1 : -1
	2008-09 (pub)	71 : 91	47 : 63	45 : 63	49 : 63
	2008-09 (rev)	68 : 92	47 : 61	45 : 61	49 : 62
	Change	-3 : 1	0 : -2	0 : -2	0 : -2

8 Methods and Data Sources

8.1 Definitions

The statistics presented in this publication are based on the following definitions of take-up:

8.1.1 Caseload

$$\frac{\text{Average number of Benefit Units (BUs) receiving benefit}}{\text{Average number of BUs receiving benefit + Average number of BUs entitled but not receiving benefit}}$$

8.1.2 Expenditure

$$\frac{\text{Total amount of benefit received in the course of the year}}{\text{Total amount of benefit received + Total amount of benefit unclaimed}}$$

8.1.3 Range construction

Take-up estimates are presented as ranges and are calculated in three stages:

Firstly, the baseline estimates are obtained from a combination of administrative data and Family Resources Survey (FRS) data.

Secondly, an assessment of the biases in these estimates is made, using various sources of information, and range estimates are calculated.

Finally, a 95 per cent confidence interval is placed around the range estimates to take account of the potential effects of sampling variation. It can then be assumed that true take-up lies within the resulting range estimates.

8.2 The baseline estimates

The DWP administrative records allow us to estimate the number of recipients of Income Support, Employment and Support Allowance (Income-Related), Pension Credit and Jobseeker's Allowance (Income-Based) and DWP statistical extracts from Local Authority administrative records allow us to estimate the number of recipients of Housing Benefit and Council Tax Benefit. Analysis of the FRS produces estimates of the number of Entitled Non-Recipients (ENRs) by modelling the benefit regulations and applying them to FRS recipients.

Using the definition of caseload take-up given above for each benefit gives a simple formula for baseline take-up where subscripts refer to the data source:

$$\textit{Caseload take-up} = \frac{R_{admin}}{R_{admin} + ENR_{FRS}}$$

The formula for baseline expenditure take-up is as follows with £R and £ENR being the average weekly amounts received by recipients and unclaimed by Entitled Non-Recipients:

$$\textit{Expenditure take-up} = \frac{R_{admin} \times £R_{admin}}{(R_{admin} \times £R_{admin}) + (ENR_{FRS} \times £ENR_{FRS})}$$

8.3 Calculation of error ranges

We attempt to allow for the potential bias in the baseline estimates before applying the 95 per cent confidence intervals. Earlier work[19] identified five sources of error that can significantly distort the baseline estimates of caseload take-up.

- Over-statement of entitlement – this occurs when a benefit unit that is not truly entitled to benefit is modelled to be entitled.
- Under-statement of entitlement – this occurs when a benefit unit that is truly entitled to benefit is modelled not to be entitled.
- Under-reporting of benefit receipt in the FRS – this occurs when someone receiving the benefit fails to report receipt in the FRS interview. For example, under-reporting may occur as misreporting if a person receiving £70 a week Retirement Pension and £5 Pension Credit, reports that they actually receive £75 Retirement Pension.

[19] *Analytical Notes: Number 3. The take-up of income related benefits: Inaccuracies in the estimation of take-up rates*, (1994) Gordon Harris, DSS.

- Inaccurate grossing-up of FRS counts – as the FRS is a survey of only a sample of the population, counts derived from the FRS need to be grossed-up – i.e. multiplied up to reflect the true numbers of various family types and people of different ages in the population – to give meaningful estimates of the actual number of Recipients or Entitled Non-Recipients in the population. Inaccurate grossing-up will result in either under or over-estimation of the number of Recipients or Entitled Non-Recipients in the population.

- Payment of benefit to non-entitled benefit units – This may occur for several reasons: administrative error, inaccurate information given to the benefit office or delays in responding to a change in circumstances.

An assessment of the extent of these errors must be made from available evidence, which unfortunately is often ambiguous. Generally though, it is possible to identify upper and lower limits on the likely extent of each error. These limits for individual errors are then grouped together to generate upper and lower bounds of the true number of Entitled Non-Recipients. Of the errors listed above, only the last affects the count of recipients, but no adjustment is made because the definition of take-up allows for the inclusion of Non-Entitled Recipients. Hence, the range of true take-up can be calculated from the recipient counts and the range for ENRs.

To produce estimates of true expenditure take-up, further information is required about the effect of errors on the estimated amounts that Entitled Non-Recipients do not claim. At present there is insufficient information to tell whether these estimated amounts are systematically different from the true amounts left unclaimed. Without any extra information it is assumed that the estimated amount unclaimed is an unbiased estimator of the true amount unclaimed.

The range of true expenditure take-up is therefore calculated by combining the measured average amount received and the average estimated amount unclaimed with the higher and lower limits of true caseload take-up. For instance, if the true range of caseload take-up is from 65 per cent to 80 per cent, and the average claimed amount is £20, and the average unclaimed amount is estimated to be £5, then the range for true expenditure take-up will be from (65 * 20)/((65 * 20)+(35 * 5)) to (80 * 20)/((80 * 20)+(20 * 5)) i.e. from 88 per cent to 94 per cent.

This calculation is based on the assumption that estimates of the average amount unclaimed are accurate. In practice this may not always be the case and so we cannot be as confident that true expenditure take-up lies within the range presented here as we can that true caseload take-up lies within its range. The average weekly amount unclaimed is presented as a single estimate as insufficient information is available to allow identification of a range. In practice, the 'All' average amount unclaimed is a weighted average of the average amounts unclaimed by each demographic split, where the weights are the baseline estimates of the number of ENRs.

8.4 Assessing the extent of bias in baseline estimates

In the process of moving from baseline estimates to take-up ranges, the key analytical work is estimating upper and lower limits for the five different sources of error, and then assessing how these errors interact. This has to be done separately for each benefit and each family type, and where applicable, by tenure type and employment status. A detailed account of the procedures involved is given in the Appendix and a broad summary is provided below.

The main errors which a baseline estimate may require correction for are:

- Incorrect modelling of FRS cases' entitlement to benefit;
- Failure to identify benefit recipients accurately; and
- Failure to correctly gross the FRS-based count of the number of Entitled Non-Recipients.

8.4.1 Incorrect modelling of FRS cases' entitlement to benefit

To gauge the possible extent of incorrect entitlement assessment, we identify the grossed-up number of FRS cases reporting receipt of a benefit but appearing to be not entitled (NERs); and then compare this to the grossed FRS count of recipients. The existence of these NERs can be due to the actual payment of benefit to non-entitled benefit units, but it can also be due to under-estimation of entitlement which might lead us to misclassify some truly Entitled Recipients as not entitled. More seriously, it can also lead us to misclassify some truly Entitled Non-Recipients as not entitled, which results in a downward bias in our estimate of the total number of Entitled Non-Recipients. The larger the number of NERs in relation to the FRS count of recipients, the greater the allowance we make for under-estimation of entitlement.

Prior to publication of the 1997-98 estimates we assumed that the incidence of over-estimation of entitlement – people wrongly added to the count of those entitled – equalled the incidence of under-estimation (the proportion of truly entitled people falsely regarded as non-entitled). Since then however, where we have found evidence of a significant difference in the incidence of under-estimation and over-estimation of entitlement, we have taken it into account in our analysis.

For 2009-10, we found evidence of a significant difference between modelling entitlements for couples with children entitled to Jobseeker’s Allowance (IB).

8.4.2 Failure to identify benefit recipients accurately

To assess the possible extent of incorrect identification of benefit receipt, we consider the possible causes. One such cause could be that people are awaiting the outcome of a benefit claim; the FRS allows us to identify such cases. Another cause is confusion between benefits, where people are receiving more than one benefit. We seek to identify the number of such

cases; for some cases it is possible to re-classify some people, with confidence, as recipients.

For Council Tax Benefit, there are particular problems with identifying benefit receipt, partly because of confusion with the single person's Council Tax discount; these have been considered in detail.

For Pension Credit, we make use of a data matching exercise whereby we can identify those apparent non-recipients of Pension Credit who were in fact in receipt of the benefit at the time of their FRS interview (described in more details in section 8.7.4 under the title *'Shortfall' of reported Pension Credit recipients on the FRS*).

8.4.3 Failure to correctly gross the FRS-based count of the number of Entitled Non-Recipients

We also use a comparison of the grossed FRS count of recipients and the equivalent count from the administrative data. Where the FRS count falls short of the administrative count, this can be taken as evidence of:

- Under-reporting of benefit receipt, leading to under-estimation of take-up (via over-estimation of numbers entitled to but not receiving their benefit); or

- Under-grossing of the entitled population, leading to over-estimation of take-up (via under-estimation of numbers entitled to but not receiving their benefit).

This ambiguity can lead to wide ranges of estimated take-up (notably Income Support 'Single Males without Children') because the ranges have to cater for both possibilities. For some groups (notably Pension Credit overall, Guaranteed Credit only for single females, Council Tax Benefit overall and Council Tax Benefit for non-pensioners without children) the FRS yields less of a shortfall and thereby allows the estimation of a narrower range.

8.5 Data sources

8.5.1 The Family Resources Survey

The Family Resources Survey was used to identify Entitled Non-Recipients of all five benefits and to analyse the characteristics of these ENRs. During the financial year 2009-10 the FRS interviewed approximately 23,000 households in Great Britain. Households interviewed in the survey were asked a wide range of questions about their family, social and economic circumstances. The structure and wording of the questionnaire, along with the advice given to interviewers, is continually under review. Further information on the design of the survey is contained in the FRS Report[20].

[20] *Family Resources Survey 2009-10*, (2011) DWP The report can be found at: http://research.dwp.gov.uk/asd/frs/

8.5.2 Administrative data: Income Support and Employment and Support Allowance (Income-Related)

Since the 2004-05 estimates of take-up, the administrative data source used to obtain the number of recipients has been the DWP Work and Pensions Longitudinal Study (WPLS). To obtain a caseload estimate for the 2009-10 financial year, an average was taken of the extracts at the end of May 2009, August 2009, November 2009 and February 2010.

Caseload information for Employment and Support Allowance (Income-Related) is also obtained from 100 per cent administrative records.

The 5 per cent Quarterly Statistical Enquiry (QSE) data has been used to estimate the proportion of cases that are in non-private households and should therefore be excluded in order to derive the private household recipient population. These proportions were then applied to the 100 per cent WPLS data. This is because the WPLS data does not hold all the variables needed to perform these exclusions.

The definition of singles with children used in the analysis of the WPLS for this publication differs from that used in the published WPLS. Here, we simply define singles with children as single people with dependant children. This includes those who are classified as disabled in the published WPLS.

8.5.3 Administrative data: Jobseeker's Allowance (Income-Based)

For estimates of take-up since 2004-05, the administrative data source used to obtain the number of recipients was a combination of the DWP Work and Pensions Longitudinal Study (WPLS) and the 5 per cent quarterly QSE data.

The WPLS data does not tell us whether a claimant receives income-based JSA (JSA IB) or contribution-based JSA (JSA CB). Therefore, to obtain a caseload estimate for the 2009-10 financial year, the 5 per cent quarterly QSE data was used to find the proportion of JSA claimant cases who were in receipt of JSA (IB) and who lived in private households. This proportion was then applied to the average of the WPLS extracts taken at the end of May 2009, August 2009, November 2009 and February 2010.

A small proportion of claimants have entitlement to both contribution and income-based Jobseeker's Allowance but actually receive income-based Jobseeker's Allowance. Within this publication such cases are counted as recipients of income-based JSA.

8.5.4 Administrative data: Pension Credit

The administrative data source used to obtain the number of Pension Credit recipients was the DWP Work and Pensions Longitudinal Study (WPLS) as it is based on 100 per cent of claimants and is used to produce headline National Statistics.

To obtain a caseload estimate for the 2009-10 financial year, an average was taken of the extracts at the end of May 2009, August 2009, November 2009 and February 2010. The entitlement start date was used to obtain this caseload figure; this is the date the claimants entitlement began rather than

when the claim started as the entitlement start date captures those who had their payment backdated. Therefore, the recipient count includes all those pensioners who received Pension Credit in respect of 2009-10, even if they received payment after the 2009-10 financial year had ended. Published WPLS caseloads use the claim start date, which is the date the claim is recorded on the system; therefore caseloads published by other sources will be different than in this publication. See section 8.7.1 in this chapter for details of how the backdating of Pension Credit is dealt with.

In common with Income Support and Jobseeker's Allowance (IB), the 5 per cent quarterly QSE data has been used to estimate the proportion of Pension Credit cases that are in non-private households and should therefore be excluded in order to derive the private household recipient population. These proportions were then applied to the WPLS data. This is because the WPLS data does not hold all the variables needed to perform these exclusions.

8.5.5 Administrative data: Housing Benefit and Council Tax Benefit

The 100 per cent data source used for Housing Benefit and Council Tax Benefit data was the Single Housing Benefit Extract (SHBE). This is the second year of using this data source but is the first year it has been used in full due to 2008-09 administrative caseload counts being affected by the embargo on the transfer of data into and out of DWP between November 2007 and June 2008.

For Housing Benefit and Council Tax Benefit in 2009-10, the SHBE 100 per cent samples contained detailed information on family type, tenure, level of rent, amounts of Housing Benefit and Council Tax Benefit received and amount of Council Tax paid.

For Council Tax Benefit the administrative caseload counts by tenure type are unreliable using the SHBE due to incorrect recording of tenure type by local authorities. Therefore, we continued to split recipients of Council Tax Benefit by tenure type using information from the Family Resources Survey. This is consistent with the approach to CTB tenure type in previous years and provides the most credible figures in the context of all the available information.

We make several adjustments to the data in order for it to be comparable to the population assessed from the FRS. The cases we exclude are those that are full-time self-employed, those with extremely high rents and 16 and 17 year old benefit units without children. As a result of these exclusions, estimates in this publication will be lower than those in other published sources. More details on these adjustments are in section 8.6.

8.6 Adjustments

8.6.1 Background on adjustments

As with previous publications, estimates of take-up cover only the private household population, since the Family Resources Survey (FRS) includes only those people who live in private households. In practice, this means these take-up estimates omit people living in residential care or nursing homes and some other, mostly small, groups. In addition, because the FRS does not contain sufficient information on the incomes of the self-employed to allow reliable assessment of benefit entitlement, the estimates also exclude benefit units that contain at least one full-time self-employed individual. A detailed explanation of these and other adjustments is given below. As a result of the various adjustments to the data, estimates in this publication may differ from those in other published sources. The main exclusion adjustments are detailed below.

8.6.2 Private household adjustment

Since the estimates rely on the FRS and administrative data sources it is essential that the data from these sources are as far as possible directly comparable. The FRS only covers private households, whereas administrative data contains information on all recipients of the benefit regardless of their circumstances. To achieve the necessary consistency across the data sources, a small number of cases were removed from the administrative data.

For Income Support, Employment and Support Allowance (IR), Jobseeker's Allowance and Pension Credit, cases in residential care or nursing homes were excluded from the administrative data. Asylum seekers, those without accommodation or with no fixed abode, people receiving urgent case payments and those staying in hospital long term (over six weeks) were also excluded.

For all benefits, only a small proportion of cases were removed from the total caseload.

8.6.3 Self-employed adjustment

Income of the full-time self-employed on the FRS is very difficult to assess. A sufficiently accurate assessment for modelling benefit entitlement is almost impossible to achieve. Inclusion of these cases would be likely to lead to further bias in the data over and above what we already observe. For this reason all full-time self-employed cases were excluded from the FRS data. In order to exclude them from the take-up estimates completely, it was necessary to exclude them from the administrative data as well. These exclusions affect all the benefits except Income Support, Employment and Support Allowance (IR) and Jobseeker's Allowance, for which the full-time self-employed are ineligible anyway.

For Pension Credit this has very little impact as few pensioners are still in full-time work. For Housing Benefit and Council Tax Benefit, estimates of the proportion of recipients who were self-employed were made from the FRS. These were then applied to the administrative data. These adjustments

removed around 2.7 per cent or 147,000 from the administrative count for Council Tax Benefit and 1.6 per cent or 67,000 from the administrative count for Housing Benefit.

8.6.4 High eligible rents / housing costs

A further adjustment was made to exclude cases with very high rents. Housing Benefit cases above a high level of rent were excluded from both the administrative and FRS data. This exclusion avoids volatility in the estimate of ENR average amounts, due to outliers with large rents in the small ENR sample. Although there were very few such outliers, grossed up they would represent a significant amount of unclaimed benefit. In this way large variations in estimated expenditure take-up could result from the sampling process rather than from real changes in claimant behaviour.

To reduce such volatility, a high rent cut off was incorporated. This was set at the 99th percentile of eligible rent for Housing Benefit recipients from administrative data. Cases with rent above this level were excluded from the take-up estimate. Similar adjustments were made for Income Support, Employment and Support Allowance (Income-Related), Pension Credit, Council Tax Benefit and Jobseeker's Allowance (Income-Based) to exclude cases with very high housing costs. Again this was set at the 99th percentile for each family type which could then be applied to the FRS ENRs in that family type.

8.6.5 Young Benefit Units without Children

In some circumstances 16 and 17 year olds without dependants can be eligible for Income Support, Employment and Support Allowance (IR) or Jobseeker's Allowance (IB). These circumstances are very difficult to model on the FRS. For this reason all 16 and 17 year old benefit units without children have been excluded from the administrative and FRS data for all benefits. This adjustment has little effect on the overall caseload count for all benefits.

8.6.6 Grossing up

The take-up statistics are all based on grossed up FRS data. The grossing system used is designed to make grossed estimates more accurate and reliable. The grossing scheme controls the population estimates of benefit units and households, taking into account variables like tenure and Council Tax Band as well as the age, sex and family type variables. Details of the grossing regime are shown in Table 8.6.7:

8.6.7 Family Resources Survey grossing regime for Great Britain

Control variables used to generate grossing factors for private households		
Variable	Groupings	Source of data
Individuals (Age, sex and Government Office Region)	Male children: 0-9, 10-19 dependents Male adults: 16-24 (non-dependants), 25-29, 30-34, 35-39, 40-44, 45-49, 50-59, 60-64, 65-74, 75-79, 80+ Female children: 0-9, 10-19 dependants Female adults: 16-24 (non-dependants), 25-29, 30-34, 35-39, 40-44, 45-49, 50-59, 60-69, 70-74, 75-79, 80+	Office for National Statistics (ONS)
Dependants aged 16-19 years old	England, Wales, Scotland	DWP estimates using data derived from ONS and HMRC
Families (with children)	England and Wales (combined), Scotland	HMRC Child benefit data
Single (with children)	Male, female	DWP estimates
Tenure type (Households)	LA renters, private renters, owner occupiers	Communities and Local Government (CLG)
Council Tax Band (Households)	A and Not Valued Separately, B, C-D, E-H/I	Valuation Office, Scottish Government
Region	London, Scotland, rest of Great Britain	Communities and Local Government

8.7 Issues with the estimation of take-up

8.7.1 Backdating by pensioners from 6 October 2003

When Pension Credit was introduced in October 2003, the Pension Service decided that it would be introduced in a staged and managed fashion. This campaign activity was deliberately phased in order to maintain high levels of customer service as the caseload grew and also to ensure that no-one lost out financially. This was done by allowing for extensive backdating of Pension Credit claims back to 6 October 2003 or by up to one year, depending on when the pensioner became eligible. At the same time, new rules for Housing Benefit and Council Tax Benefit meant that those aged over 60 could receive a backdated claim to 6 October 2003, or by up to one year. From October 2008 the rules changed so that claims could only be backdated for a maximum of three months. For take-up figures, this means that there will be some pensioner benefit units that are identified as ENRs, but who later receive payment that covers the point of their FRS interview. In which case, they could be considered to be an Entitled Recipient as opposed to an Entitled Non-Recipient.

For Pension Credit, we have been able to identify the number of pensioners who received a backdated amount in respect of 2008-09 and 2009-10 and have amended both our recipient count and our ENR count accordingly. For Housing Benefit and Council Tax Benefit, no such data currently exists that allows us to adjust our recipient and ENR counts. However, for Housing Benefit, we do have estimates of the extent of undercounting, which arises from a number of claims awaiting a final decision. This may include any new backdating that occurred as a result of the new rules, and allows us to estimate to what extent Housing Benefit take-up figures may be depressed.

8.7.2 Assessed income periods for Pension Credit

An assessed income period (AIP) may apply to those pensioner families where one member is 65 or over and the other is aged at least 60 (or if single, they are 65 or over). During this period, which can last up to five years (or up to seven years if the pensioner was transferred from MIG), a pensioner does not have to report any changes to pensions, annuities, equity release payments or capital. Other changes still have to be reported. The period may be shorter if a pensioner expects a second pension or annuity to start or change, or their capital to increase significantly in the next 12 months following the date that their entitlement starts; the period may be between one and five years in the case of couples where the recipient or partner attains the age of 65.

This will mean that for some pensioners on the FRS, they will be in receipt of Pension Credit, but may not appear to be currently entitled, due to a recent change in income. Thus, they appear to be Non-Entitled Recipients when they should be considered Entitled Recipients. More importantly, there may be some pensioners who appear to be Non-Entitled Non-Recipients, but should in fact be considered Entitled Non-Recipients – if they had applied at some

point in the past, prior to any change in income, they would have been entitled, and would still be entitled as they would not have had to report the change. Therefore, take-up could be biased upwards due to a deflated ENR count.

An adjustment for this has not been made for 2009-10, as we do not have sufficient data that would enable us to make a suitable adjustment. We will review this issue in future years as further management information is developed.

8.7.3 Misreporting of capital holdings by pensioners

A 1998 follow-up survey of pensioner FRS interviewees indicated that a substantial proportion of elderly people declared their capital holdings inaccurately, in most cases underestimating their actual assets. This meant there were some apparent Entitled Non-Recipients of Income Support who had savings above the upper capital limit of £8,000 (the capital threshold for MIG at the time).

Problems with establishing what savings pensioners hold are partly a cultural phenomenon, with savings being perhaps regarded as a more private matter than income. But other obstacles include difficulties in recalling what assets are held, especially for those with a range of assets or whose finances were managed by their partner or another person. The DWP research report number nine “Comparing Strategies for Collecting Information on Personal Assets”[21] pinpointed, through cognitive probing of a small number of pensioners, strengths with existing asset questions in the FRS and weaknesses to which solutions were suggested. It also reported that there are inherent difficulties in any survey in collecting accurate information on personal assets amongst pensioners.

In 2001 the DWP commissioned the Office for National Statistics (ONS) and the National Centre for Social Research (NatCen) to undertake another survey of pensioners who appeared to be Entitled Non-Recipients of Minimum Income Guarantee (the predecessor of Pension Credit). The results are published in the DWP research report no. 197 ‘Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit’[22]. Participants in the survey were drawn from people interviewed on the FRS between October 1998 and March 2001. Those selected were pensioners whose financial circumstances at the time of their FRS interview suggested that they were ENRs. On re-interview, a few respondents reported that they were in fact in receipt of Minimum Income Guarantee or Income Support at the time of their original FRS interview. For these respondents information on

[21] *Comparing Strategies for Collecting Information on Personal* Assets (NatCen) 2003 The report can be found at:
http://research.dwp.gov.uk/asd/asd5/WP9.pdf

[22] *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0) For a summary of this report can be found at:
http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_197.asp

their savings and investments were not sought, as they were effectively 'hidden recipients'.

The study found that 17 per cent of those classified as ENRs as a result of their original FRS interview were, at the time of re-interview, ineligible for Minimum Income Guarantee because of excess capital holdings. However, taking into account the possibility of changes in circumstances between the time of the original and the later re-interview, the minimum plausible proportion of pensioner ENRs that may have misreported the value of their savings and investments consistent with the results of the survey was 10 per cent and a maximum was assumed at 14.5 per cent. These are the best estimates of the percentage of ENRs failing to report to the FRS capital holdings exceeding £8,000 (which was the capital threshold for MIG).

These assumptions were incorporated into the error analysis framework (described earlier) for MIG. This was done by classifying the misreporting of capital by pensioners as over-statement of entitlement error – when a benefit unit that is not truly entitled to benefit is modelled to be entitled.

It is unlikely that the problem of misreporting of capital by pensioners was exclusive to Minimum Income Guarantee. The 2001 survey of Entitled Non-Recipients of Minimum Income Guarantee contains information on the proportion of these pensioners who reported that they had more than £16,000, the upper capital limit for Housing Benefit and Council Tax Benefit. Though some of these pensioners may be apparent Entitled Non-Recipients of Housing Benefit and/or Council Tax Benefit as well, for the significant remainder who are ENRs of Housing Benefit and/or Council Tax Benefit but not ENRs of Minimum Income Guarantee we have no information. This means it has not been possible to make adjustments to estimates of take-up of Housing Benefit and Council Tax Benefit by pensioners for capital misreporting. Therefore it is possible that these estimates may under-state take-up.

Many of those entitled to MIG are entitled to Pension Credit, so under-reporting of capital by pensioners could have an impact on estimates of Pension Credit take-up. To overcome this, a similar adjustment was incorporated into the error analysis framework. However, given that Pension Credit has no upper limit to capital holdings this adjustment could not be identical to the one previously employed for MIG (as described above). The approach used was to simulate the effects of different reported capital amounts on random samples of initially modelled PC ENR cases and record the proportion of cases that changed from having a positive entitlement to no entitlement. The smallest allowance we made for this effect was to assume that capital was under-reported by a quarter among 10 per cent of PC ENR cases. The upper bound to the adjustment allowance was to assume that under-reporting of capital by a half among 20 per cent of PC ENR cases. The results of this simulation were then incorporated into the error analysis framework (described above) as part of the adjustment for over-statement of entitlement error.

Prior to the 2007-08 publication there was further investigation of whether these assumptions could be improved. Analysis showed that for large variations in the assumptions about the frequency and extent of under-reporting of capital there were only small variations in the modelled number of entitled non-recipients. Based on this evidence the assumptions have not been altered.

8.7.4 'Shortfall' of reported Pension Credit recipients on the FRS

For many years the count of pensioner recipients of Income Support/Minimum Income Guarantee that is drawn from the FRS and its predecessor the Family Expenditure Survey, has fallen well short of the count from the Department's administrative records. The latest available data for Pension Credit also shows a similar picture. Departmental records have a very high degree of accuracy and therefore the shortfalls have raised questions regarding the quality of the survey count. There are three possible reasons for a 'shortfall' in the number of Pension Credit recipients reported on the FRS. These are:

- The survey may be securing interviews from the right number of low-income pensioners, but some of these are not correctly identifying which benefits they are getting – e.g. someone receiving £72 Retirement Pension and £20 Pension Credit may report it as £92 Retirement Pension. As an alternative to this they may simply omit to report their receipt of Pension Credit and instead state £72 Retirement Pension as their only income.

- The survey may be securing interviews from too few low-income pensioners, or the way in which the survey counts are grossed-up to national counts – the grossing regime – may yield too low a number of low-income pensioners. (The regime is designed to get the total number of pensioners correct.)

- Survey respondents may be awaiting an outcome of a claim from the administrative authorities. If there are significant numbers of such cases, this would tend to suppress the numbers reporting receipt of the benefit at the point of FRS interview. It is possible to identify such cases from the FRS but significant shortfalls still remain after these cases are accounted for.

The first explanation would imply that we might be overstating the number of Entitled Non-Recipients because some of them are really 'hidden recipients' of Pension Credit. The second would imply we might be understating the number. Our uncertainty, as to the relative contribution of the first two explanations accounts for a substantial portion of the width of the range of take-up estimates for Pension Credit.

In 2001 DWP commissioned the ONS to carry out an exercise to establish how many of the apparent ENRs in 2000-01 were actually recipients of Minimum Income Guarantee at the time of the FRS interview, in order to help narrow the take-up range. The research compared pensioner cases modelled as ENRs with the Department's benefit records. The process of data-matching that followed revealed several 'hidden recipients' of Minimum Income Guarantee but also helped to confirm the modelled status of Entitled Non-

Recipients for many cases. (Chapter 5 of 'Income Related Benefits Estimates of Take-Up in 2000-2001' contains further details of the exercise[23]). Since this investigation the exercise of data-matching has been repeated every year since 2002-03.

As the legal and ethical framework for linking administrative and survey data has evolved it has become necessary for DWP to seek informed consent from FRS respondents to link their survey responses to information held by the Department. Such a question was used for the entirety of the survey year 2009-10, the specific nature of the question means that it was possible for the datamatching exercise to be carried out by DWP analysts rather than ONS analysts.

For the latest 2009-10 Pension Credit results DWP compared individual FRS respondents aged at least 60 years old with individuals contained on DWP administrative records.

Since consent is required to data match a respondent's administrative record to their FRS information, only 54 per cent of benefit units aged 60 and over were available to be data matched to the administrative data. See the section below 'Dealing with data matching a partial sample of the FRS' for an explanation of how this was dealt with.

DWP developed computer programs which sought data matches between the administrative dataset and the FRS data. These DWP and ONS approaches are not identical, but detailed investigation showed they performed very similarly. The DWP approach sought matches using the following variables:

- Postcode sector
- Surname
- Initial of forename
- Sex
- Date of birth

By making reference to the combination of variables that have been successfully matched for a given individual, the DWP methodology categorises the quality of the match on a four-point scale.

For the purpose of this report, this four-point scale has been used to classify the matches into two categories: good matches and acceptable matches. Two categories have been used to maintain continuity with the previous years.

In total, 92 per cent of apparent ENRs of Pension Credit who had consented to their data being matched had a good match to the administrative data. 97 per cent had a good or acceptable match.

[23] *Income Related Benefits Estimates of Take-Up in 2000/2001* (DWP) 2003 The report can be found at:
http://research.dwp.gov.uk/asd/income_analysis/tu0001.pdf

Data matches of specific interest are those as close as possible to the FRS date of interview. If a claim spell (given by the claim entitlement date and claim end date) included the date of the FRS interview, then it was almost certain that the apparent ENR was a 'hidden recipient' of Pension Credit at the time of the FRS interview.

Paying special attention to these cases, Table 8.7.5 shows the proportion of ENRs who were identified as 'hidden recipients' (based on the good matches described above). The data-matching exercise also uncovered significant numbers of apparent Non-Entitled Non-Recipients of the benefit on Pension Credit at the time of the FRS interview; these are also presented in the table.

8.7.5 Percentage of datamatched Entitled Non-Recipients and Non-Entitled Non-Recipients of Pension Credit who were 'hidden recipients', 2009-10

	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
Rates of hidden receipt in the matched population				*(Percentages)*
Among Entitled Non-Recipients	16	36	33	28
Among Non-Entitled Non-Recipients	1	3	2	2

The above information was incorporated into the error analysis framework by considering the extent to which the numbers of 'hidden recipients' amongst the apparent pensioner ENRs and Non-Entitled Non-Recipients accounted for the 'shortfall' between the total number of grossed recipients of Pension Credit reported on the FRS and the respective count from DWP administrative data. The remainder of any 'shortfall' was attributed both to the effect of backdating and to grossing inaccuracies.

Table 8.7.6 shows estimates of take-up of Pension Credit before and after the results of data-matching are taken into account. There are significant differences between results; estimates post-datamatching are regarded as more accurate and more precise.

8.7.6 Caseload take-up of Pension Credit in 2009-10 with/without incorporating results from datamatching

	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
				(Percentages)
Pre-datamatching	40 : 49	52 : 64	55 : 63	50 : 59
Post-datamatching (published)	50 : 56	66 : 75	67 : 74	62 : 68

Excluding Pension Credit 'hidden recipient' cases from the Entitled-Non Recipient population also changes the estimates of mean and median amounts unclaimed. The table below shows the effect of this. In 2009-10 the post-datamatching estimates are similar overall but are slightly lower for single females and couples and slightly higher for single males.

8.7.7 Average and median weekly unclaimed amounts of Pension Credit in 2009-10 with/without incorporating results from datamatching

	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
Mean weekly unclaimed amounts				*(Pounds)*
Pre-datamatching	36	34	32	33
Post-datamatching (published)	34	35	31	33
Median weekly unclaimed amounts				*(Pounds)*
Pre-datamatching	21	20	22	22
Post-datamatching (published)	20	22	20	21

8.7.8 Dealing with data matching a partial sample of the FRS

As outlined above, DWP only had consent to match 54 per cent of the FRS sample of benefit units aged 60 or over.

This means that for some cases who were modelled as ENRs, we were unable to identify whether they were hidden recipients or not. To address this, we used statistical modelling to identify those characteristics that were most associated with being a hidden recipient.

The model that was used looks at those benefit units who did not report receipt of Pension Credit. Pension couples and single pensioners were modelled separately, as their characteristics (such as their income levels) can be very different. We used data from an earlier FRS survey year (the 2005-06 survey year where ONS were able to match all pensioner respondents) in order to assess which characteristics (for example tenure type, age, disability and income) were most associated with being a hidden recipient of Pension Credit. By way of verification we then applied this model to all non-recipients in the 2006-07 survey year. This meant that we were able to test the model against the portion of the sample we were able to match, to test how successful our model was at identifying true hidden recipients.

By applying these characteristics to the portion of the 2009-10 sample that we were unable to data match, we were able to identify those cases with the highest probability of being a hidden recipient.

Using the matched sample, we were able to calculate what proportion was found to be hidden recipients. We then imputed receipt status for the same proportion of the unmatched sample. We used the model described above to choose the particular cases for which receipt was imputed. This enabled us to find further hidden recipients which were then incorporated into our error analysis framework.

Prior to the 2007-08 publication extensive analysis was undertaken to test whether it is a reasonable assumption that hidden receipt occurred with the same frequency in the matched and unmatched portions of the FRS. An alternative hypothesis might be, for example, that those who did not consent to the matching were also more likely to be hidden recipients of Pension Credit.

A statistical investigation conducted by DWP statisticians and refereed by the Office for National Statistics Methodology Consultancy Team found that there was no evidence to reject the assumption of equal rates of hidden receipt in the matched and unmatched portions of the FRS.

The table below shows the caseload take-up estimates both before and after incorporating this adjustment. In general, the estimates where we have imputed receipt of Pension Credit are higher, and should be regarded as more accurate.

8.7.9 Caseload take-up of Pension Credit in 2009-10 with/without incorporating an adjustment to allow for lack of consent from part of the FRS sample

	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
				(Percentages)
Post-datamatching of partial sample and pre-adjustment	44 : 52	60 : 70	61 : 68	56 : 63
Post-datamatching and post adjustment (published)	50 : 56	66 : 75	67 : 74	62 : 68

8.7.10 'Shortfall' of reported Attendance Allowance and Disability Living Allowance recipients on the FRS

The previous pages discussed the difference between the counts of Pension Credit obtained from the FRS and from the Department's administrative data, and how this was addressed in the published take-up estimates.

There is also a difference in the count of recipients of Attendance Allowance (AA) and Disability Living Allowance (DLA) obtained from the FRS and the count obtained from the Department's administrative data. AA and DLA are non-means-tested benefits paid to disabled recipients.

The assessment of an FRS respondent's entitlement to Pension Credit relies in part on their reported receipt (or otherwise) of AA and the care component of DLA (DLA (C)). Receipt of AA and DLA(C) can indicate that an additional amount should be added to the appropriate minimum guarantee.

For cases which are 'hidden recipients' of AA and DLA(C) in the FRS the calculation of Pension Credit appropriate minimum guarantee may therefore be too low. In some instances this will lead to the respondent being classified as not entitled to Pension Credit when they are in fact entitled. This would in turn lead an underestimate of the number of PC ENRs and overestimate of the PC take-up rate.

Investigations were taken forward into using data matching for AA and DLA to overcome this issue. However, due to limitations to the analysis it was found to be unsuitable to be included in the methodology for the published estimates. Although, it is difficult to be precise because of the limitations, this analysis suggests that if there were more complete recording of AA and DLA in the FRS, caseload take-up ranges may decrease slightly, perhaps by around 1 percentage point, and there may be a similar but slightly larger effect on expenditure take-up ranges.

8.7.11 Modelling of the overlap between Jobseeker's Allowance (Income-Based), Income Support and Pension Credit and Employment and Support Allowance (Income-Related)

The rules for eligibility are very similar for a number of benefits:

- Income Support (IS),
- Pension Credit (PC),
- Jobseeker's Allowance (Income-Based) (JSA (IB)); and
- Employment and Support Allowance (Income-Related) (ESA (IR))

So, often when we model a benefit unit as being in low income they initially appear to be entitled to more than one of these benefits.

The main difference in the eligibility criteria for JSA(IB) is that in order to receive the benefit a benefit unit must be available for and actively seeking full-time work. However, we have not been able to model this work search activity using the FRS without classifying large numbers of recipients of JSA (IB) as ineligible – because the FRS does not report them as actively seeking work.

By not modelling the work search criteria we leave large numbers of benefit units modelled, initially, as ENRs of both IS/PC and JSA (IB). To classify these benefit units as ENRs of a single benefit we use a series of rules:

- Firstly, DWP administrative data shows that only very small numbers of pensioners claim JSA (IB). Analysis of DWP administrative data confirmed this pattern. It showed an average of 235,000 men aged 60-64 were claiming Pension Credit in 2009-10 while only 5,000 were claiming JSA

(IB) over the same period. The 5,000 JSA (IB) recipients represented around 2 per cent of men aged 60-64 in receipt of either benefit. The information on Pension Credit was gathered from DWP WPLS data and the information on Jobseeker's Allowance was gathered from DWP QSE data.

- Similarly, very small numbers of singles with children claim JSA(IB). An average of 795,000 singles with children were claiming Income Support in 2009-10 while only 58,000 were claiming Jobseeker's Allowance (IB) over the same period; this represents around 7 per cent of singles with children in receipt of either benefit.

- So we continue to make the assumption that all singles with children and pensioners modelled initially as ENRs of both IS/PC and JSA (IB) are classified as ENRs of IS/PC only.

- Secondly, we classify all carers who are modelled initially as ENRs of both IS/PC and JSA, as ENRs of IS/PC only, as full-time carers are unlikely to also be looking for work.

- Thirdly, analysis of the DWP QSE administrative data in 2009-10 showed that only very small numbers of people with disabilities claim JSA (IB) in preference to IS or ESA(IR). Of those claiming IS or JSA(IB) with an adult disability premium only around 2 per cent preferred to claim JSA(IB). The average number of claiming JSA(IB) with a disability premium was 34,000, compared with 1,508,000 for Income Support.

- So those people who, in response to FRS questions, say either they are unable to work at all or they are unable to work full time because of their health, are classified as ENRs of IS/PC only (if interviewed before October 2008) or as ENRs of ESA(IR) (if interviewed after October 2008).

- Remaining cases initially modelled as entitled to more than one of these benefits are classified as ENRs of JSA (IB) only.

8.7.12 Dealing with those awaiting the outcome of a claim for benefit

When a person claims benefit there is often a delay between the date of the claim and the date they receive a decision on their claim. This causes problems when estimating the number of ENRs. The FRS asks respondents whether or not they are awaiting the outcome of a claim. If a person says that they are not receiving, say, Pension Credit at the time of their FRS interview, but we model them as entitled, they are initially classified as an ENR. This may be false in cases where the FRS respondent is awaiting the outcome of an eventually successful claim.

In reality the respondent was actually in receipt in respect of the time of the FRS interview and should not be classified as an ENR. For all the benefits the ranges of take-up take account of these pipeline effects. The existence of these 'pipeline' cases tends to depress the baseline estimate of take-up below its true level. We make an assessment about the proportion of these non-recipients who are likely to be successful in their claim, given that we are able

to model whether they are entitled or not, and then incorporate these cases into the error analysis framework, by assuming they contribute to the under-reporting of benefit receipt. The effect of this is that it tends to shift the take-up ranges upwards.

8.7.13 Local Housing Allowance

A new way of calculating Housing Benefit for those privately renting their home was introduced from 7 April 2008. New Housing Benefit claimants or those who moved homes after this date were assessed under the new Local Housing Allowance (LHA) rules.

The LHA reference rent for each area is calculated as the midpoint of private sector market rents. The LHA rates for each Broad Market Rental Area are made publicly available by the local authority. The maximum amount of LHA a claimant can receive is dependant on the area they live and the category of dwelling they live in.

LHA Housing Benefit claimants are given an incentive to seek rents below the midpoint of market rents. They are given up to £15 of the difference from the market rate should they secure cheaper accommodation.

The LHA rules have been included in the construction of Housing Benefit take-up statistics, although no explicit tabulation of the LHA benefit is included.

8.7.14 Rent restrictions

Continuing Housing Benefit claims made before the 7 April 2008 could be subject to rent restrictions. A rent restriction occurs when the Local Authority administering the Housing Benefit system decides that a private tenant is paying an unreasonably high rent and as a result employs a lower rent for the purposes of calculating Housing Benefit. Prior to 2 January 1996 the criteria used to determine whether rent was unreasonably high were not known. It was not therefore possible to model the decisions using the FRS. Making no allowance for rent restrictions would have been wrong however since the count of Entitled Non-Recipients may have been inflated.

After 1 January 1996, Local Authorities implemented new rent restriction rules. Most private tenant Housing Benefit claims were referred to the Rent Officer Service under a specific set of rules for determining whether or not to restrict the rent for the purposes of processing the claim. Also after 6 October 1996, new rent restrictions rules were implemented for single claimants under the age of 25.

The Rent Officer Service carries out the following assessments of a claimant's rent:

- A significantly high rent determination - which determines whether the claimant's rent is higher than that paid for similar tenancies and dwellings.
- A size-related rent determination - which determines whether the claimant's rent is larger than is necessary for their means.

- An exceptionally high rent determination - which determines whether the lowest of the claimant's rent or either of the previous rent determinations is still "exceptionally high".

The lowest of the rent determinations and the actual rent paid (known as the appropriate rent) is compared with a 'local reference rent'. The local reference rent is defined as the midpoint of 'reasonable market rents' as determined by the Rent Officer. Where the local reference rent is higher than the appropriate rent, the maximum rent to be taken forward into the Housing Benefit assessment is the appropriate rent. Up until October 1997 where the appropriate rent was highest, the maximum rent to be taken forward was the local reference rent plus half the difference between the local reference rent and the appropriate rent. From October 1997 onwards this "50 per cent top up" was removed so that the maximum rent taken forward where the appropriate rent was highest was the local reference rent.

In the case of single claimants under the age of 25, a single room rent determination is made. The single room rent determination is defined as the midpoint of 'reasonable market rents' for accommodation in which the tenant has exclusive use of one room only and other than that shares a (or has no) kitchen, shares a toilet and makes no payment for board or lodging. Then the maximum rent is calculated by comparing the single room rent with the maximum rent calculated above. Where the maximum rent is lower than the single room rent, the maximum rent is carried forward in the calculation of Housing Benefit. Where the maximum rent is higher than the single room rent, the single room rent applies.

It is possible to roughly model all Rent Officer determinations, except the exceptionally high rent determination, using a combination of Rent Officer Statistics (collected by the Department for Communities and Local Government) and the Family Resources Survey. Average referred rents and average rent reductions for each Government Office Region and for each type of determination were taken from the Rent Officer Statistics.

For the size-related rent determination, average reductions by region and type of dwelling from the Rent Officer Statistics were applied to the rents for FRS dwellings modelled as being "too large". In the case of the significantly high rent determination, average referred rents from the Rent Officer Statistics were split by region and quartile. For each quartile within each region, the average referred rents were used as thresholds. For those FRS cases breaching the thresholds, a significantly high rent determination was calculated using the average percentage reduction in rent derived from the Rent Officer Statistics. A similar approach to this was adopted for the single room rent determination.

Only certain tenancies (assured shorthold) are restricted by law and these were isolated on the FRS using variables relating to tenure and the date the tenancy began.

This adjustment, as described above, allows us to better model the amount of Housing Benefit that a household is entitled to. Without this adjustment, the

amount of entitlement to Housing Benefit that we model could be too high, which would artificially inflate the count of Entitled Non-Recipients, and as a result artificially deflate the estimate of take-up.

9 Appendix: Construction of take-up ranges

9.1 Introduction

Chapter 8 explains in broad terms how estimates of take-up are calculated. This Appendix provides further detail. It begins by re-capping the sources of error that can affect the baseline estimates of take-up. It subsequently describes in some detail how we estimate the size of these errors; describes the additional assumptions required to obtain unambiguous estimates of take-up; presents an example of how all this works in practice; and closes with some observations about the general effects of the different assumptions.

9.2 The five sources of error

Chapter 8 described the five potential sources of error that can introduce bias into estimates of take-up. To reiterate they are:

- Over-statement of entitlement to benefit – known as error A
- Under-reporting of benefit receipt – known as error B
- Under-statement of entitlement to benefit – known as error C
- Inaccurate grossing up – known as error D
- Payment of benefit to non-entitled benefit units – known as error E

The formula used for calculating caseload take-up – first presented in Chapter 8 – shows that we take our count of benefit recipients direct from DWP administrative records; so it cannot be affected by any of the errors A to D listed above. The administrative counts will include some people who are not actually entitled to receive benefit, Non-Entitled Recipients (NERs), and thus this data can be affected by error E. However, this error is disregarded and not introduced into our results because the DWP definition of take-up allows for non-entitled benefit units to be included in the recipient count. So the accuracy of the recipient count we use is not affected by any of the errors listed above.

However, all five errors affect the accuracy of our estimation of the number of Entitled Non-Recipients (ENRs). To correct for this it is necessary to estimate the size of errors A to E. Once this is done we can then adjust the initial estimate of the number of ENRs to give us an unbiased estimate of the true figure. Combining this with the recipient count we can arrive at an unbiased estimate of the take-up rate.

Ideally, the exact size of the errors A to E would be known. This would enable us to fully and unambiguously correct for them and publish a single unbiased point estimate of true take-up. Unfortunately we only have subjective estimates about the likely size of each error. This means in most cases we have to assume that each error could be as high as say X or as low as say Y. Assuming high and low values for the size of each error results in high and low estimates for true take-up. It is these high and low estimates that constitute the range estimate that we publish.

9.3 Estimating the size of the errors

We only have a rough idea about the size of errors A to E because the evidence available to us is often ambivalent and scarce in nature. The main evidence we consider is the following two statistics:

- The percentage of grossed-up FRS recipients modelled as not entitled. We refer to this as ‘s’ and it can be written as the number of Non-Entitled Recipients (NERs) in the FRS divided by the number of recipients of the benefit in the FRS:

$$s = \frac{NER_{FRS}}{R_{FRS}}$$

- The ratio of the grossed-up FRS count of recipients to the administrative count of recipients. We refer to this as ‘t’ and it can be written as:

$$t = \frac{R_{FRS}}{R_{admin}}$$

9.3.1 Clues provided by ‘s’

We estimate the number of ENRs using the FRS. The FRS contains detailed information about household composition, income, employment and savings. Using this information we mimic the benefit rules and estimate whether or not a benefit unit is entitled to receive the benefit; this process is known as modelling entitlement. The ‘s’ statistic is affected by errors in modelling entitlement and by the receipt of benefit by non-entitled people. The more modelling error there is, the larger ‘s’ will be. The more NERs there are, the larger ‘s’ will be. Though not conclusive ‘s’ gives us useful clues about the likely size of errors A, C and E.

Modelling errors A and C arise where we are unable to accurately assess a benefit unit’s true entitlement because we do not have a full picture of their relevant circumstances. This can happen for a number of reasons. Firstly, whilst the FRS contains a large amount of detail relevant to calculating benefit entitlement, it does not necessarily contain all the detail required. Also, respondents, for whatever reason, may not provide us with fully accurate accounts of their circumstances. With imperfect data, there are bound to be some errors in identifying which benefit units are entitled to a benefit. In the

absence of any evidence to the contrary, errors A and C are assumed to be symmetrical in size. We shall take a look at the other evidence we use to consider whether or not this assumption is valid later in the text. Even when we assume errors A and C are of equal size, their effects are unlikely to cancel each other out because error A will typically add more to the count of ENRs than error C subtracts from it. So it is important to estimate the size of errors A and C. Modelling errors A and C may also reflect the incorrect payment of benefits to those who are not truly entitled. This may occur for several reasons: administrative error, inaccurate information given to the benefit office or delays in responding to a change in circumstances.

If ‘s’ is, say, 10 per cent, then this could imply that there are substantial modelling errors. Alternatively, modelling errors might be small and the 10 per cent value for ‘s’ may mainly reflect receipt of benefit by people not truly entitled. To get over this ambiguity we assume the first scenario when setting the upper limit for error C (and by assumption error A, when the evidence suggests A and C are equally likely). So the upper limit is set at ‘s’ per cent. We set the lower limits for errors A and C to (s/3) per cent. We do not set the lower limits to zero because it seems unlikely that A and C could ever be zero.

An important point to note here is that the assumptions we use for the upper and lower limits of each error do not go to the extreme bounds of plausibility. However, wide ranges are used where the available evidence suggests that there is a wide range of plausible assumptions.

The size of error E is determined in a similar way as the size of errors A and C in that it uses the size of the s-statistic, with one exception; the upper limit is capped at 15 per cent because it seems unlikely that the proportion of recipients not entitled to benefit could exceed 15 per cent.

9.3.2 Clues provided by ‘t’

The ‘t’ statistic provides some evidence about the likely size of errors B and D, the under-reporting of benefit receipt and grossing errors respectively. If we knew our grossing-up was perfect then a ‘t’ of less than 100 per cent would provide a strong indication of the size of error B. Conversely, if we knew that under-reporting was unlikely, then a ‘t’ of less than 100 per cent would provide strong evidence of the size of error D.

In practice it is possible that both sources of error will occur simultaneously. So ‘t’ may reflect both under-reporting and grossing problems. It should also be remembered that even if we knew that under-reporting did not occur for a particular group, the value of ‘t’ itself would only be an indicator of the impact error D has on the number of recipients, since it is a ratio of recipients only. As ‘t’ is a measure for recipients, it cannot be assumed that it gives an accurate indication of the size and direction of errors in grossing-up the number of ENRs. Assumed upper and lower limits for error D do not reflect the size of the error in the population, but the likelihood of the error generating an inaccurate count of ENRs.

A further complication is that, even if we knew grossing was not a problem and we therefore attributed a low value of ‘t’ solely to under-reporting of

benefit receipt, this under-reporting would not necessarily introduce a large error in the estimate of the number of ENRs. This is because benefit units not reporting receipt of benefit may still report their total income correctly. People misreporting their benefit receipt will only appear to be entitled if they also report too low a total income. For example if all that happens is they misreport their Pension Credit as Retirement Pension, and so the correct total income is reported, they will not be falsely classified as ENRs, as their income will not be below the applicable amount for Pension Credit. If they do not report their Pension Credit income at all, and only report their Retirement Pension income, they will be falsely classified as an ENR.

In setting the upper limit for the size of error B we need to make an assumption about the percentage of under-reporting cases that will generate false ENRs. We do this by calculating the proportion of recipients on the FRS who are modelled to be entitled to more than they report receiving. This 'over-modelling' could be due to the following three reasons:

- Under-reporting of the benefit amount which means we appear to be modelling more than the recipient claims they receive;
- Our failure to accurately mimic the benefit rules, meaning we are modelling entitlement incorrectly;
- Under-reporting of total income, which means that the recorded income is too low, and as a result the entitlement will appear to be too high.

This last reason is the condition that needs to be in place alongside failure to report receipt, in order to generate a false ENR case. The first two reasons won't necessarily lead to a benefit unit being modelled as a false ENR.

So the percentage of FRS recipients 'over-modelled' gives an indication of the upper limit of the proportion of benefit units failing to report receipt, as even if all three reasons come into play, one possible scenario is that the over-modelling we observe could be wholly due to the last reason. Therefore we make an assumption that it is these cases that would also be modelled as entitled and therefore falsely classified as ENRs. This is another example where our assumptions about errors do not go to the extreme bounds of plausibility.

Chapter 8 describes how we use information in the FRS about outstanding benefit claims to assess the extent to which under-reporting of benefits is due to people awaiting the outcome of a claim for benefit. In practice we express the number of cases awaiting the outcome of a claim and who appear to be entitled, as a percentage of the administrative data recipient count (and in the case of Pension Credit, we also express the number of backdaters as a percentage of the administrative data recipient count). We then add these estimates to the value of 't' before working out the size of the upper limit of error B. This is done because these 'pipeline cases' (and in the case of Pension Credit, the eventual 'backdaters') are not genuine ENRs – they have already submitted a claim and will go on to receive benefit.

In setting the lower limit for error B we assume that there is no under-reporting of benefit receipt except that represented by the 'pipeline case' percentage (and in the case of Pension Credit, we assume that there is no under-reporting except that represented by the 'pipeline', 'hidden recipient' and 'backdater' percentages). So a low value of 't' may reflect some or all of the following:

- Under-grossing leading to fewer ENRs – error D
- Under-reporting generating false ENRs – error B
- Under-reporting NOT generating false ENRs
- Pipeline cases generating false ENRs – error B

The interaction between errors B and D is difficult to disentangle; therefore we must come to judgements about the likelihood of there being an under-reporting or grossing problem.

For high values of 't' we must also allow for the possibility that we have over-grossed the estimate of ENRs. For values of 't' that are close to 100 per cent we make the assumption that under-reporting, under-grossing and over-grossing all may have occurred. For values of 't' that are significantly higher than 100 per cent the assumptions are simplified; we assume no possibility of error B or of under-grossing. We also assume that there is no possibility of over-reporting benefit receipt. Finally we check that the assumed level of error B is consistent with the uncorrected crude measured level of take-up. Without this check it would not be possible to assume a level of error B which could occur given the estimated number of ENRs.

Tables 9.3.3 to 9.5.5 summarise the assumptions we make about the upper and lower limits of the sizes of errors B and D, for all benefits other than Pension Credit. Note that under-grossing assumptions are labelled D1 and over-grossing assumptions are labelled D2. Note also that outstanding claim cases are labelled as 'pipeline%'.

9.3.3 Values/ranges of error B for benefits other than Pension Credit

Error B		
Size of pipeline adjusted 't'	**Lower limit**	**Upper limit**
=<100%	Pipeline%	(X*(100-pipeline adjusted 't')%) + pipeline%
> 100%	Pipeline%	Pipeline%

Where X = percentage of under-reporting cases that could generate false ENRs.

9.3.4 Values/ranges of error D1 for benefits other than Pension Credit

Error D1		
Size of pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 90%	Y% * (100-('t' + B upper))%	(100-pipeline adjusted 't')%
90% - 95%	0%	(100-pipeline adjusted 't')%
95% - 105%	0%	5%
105% - 110%	0%	(100-pipeline adjusted 't')% + 10%
> 110%	0%	0%

Where Y = proportion of the difference between the administrative data count of recipients and the FRS count of recipients.

9.3.5 Values/ranges of error D2 for benefits other than Pension Credit

Error D2		
Size of pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 90%	0%	0%
90% - 95%	0%	(pipeline adjusted 't'-100)% + 10%
95% - 105%	0%	5%
105% - 110%	0%	(pipeline adjusted 't'-100)%
> 110%	(pipeline adjusted 't'-100)% - 10%	(pipeline adjusted 't'-100)%

9.3.6 Errors B and D for Pension Credit

The values and ranges used to adjust for errors B and D for the Pension Credit error decisions are slightly different due to the use of a datamatching exercise (for more details see Chapter 8) to identify 'hidden recipients' and the inclusion of backdaters. Tables 9.3.7 to 9.3.9 summarise the assumptions we make about the upper and lower limits of the sizes of errors B and D for Pension Credit. Note that Hidden Recipients are labelled 'HR' or 'hidden recipient%'; under-grossing assumptions are labelled D1, over-grossing assumptions are labelled D2, outstanding claims cases are labelled as pipeline%, and the proportion of backdaters are labelled 'backdater%'.

9.3.7 Values/ranges of error B for Pension Credit

Error B		
Size of Max/Min Pipeline adjusted 't'	**Lower limit**	**Upper limit**
All values	Pipeline% + backdater% + min(hidden recipient%)	Pipeline% + backdater% + max(hidden recipient%)

9.3.8 Values/ranges of error D1 for Pension Credit

Error D1		
Size of Max/Min Pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 95%	Y% * (100-(max(pipeline, back and HR adjusted 't'))%)	100-(min(pipeline, back and HR adjusted 't'))%
95% - 100%	0%	100-(min(pipeline, back and HR adjusted 't'))%
100% - 105%	0%	5%
> 105%	0%	0%

Where Y = proportion of the difference between the administrative data count of recipients and the FRS count of recipients.

9.3.9 Values/ranges of error D2 for Pension Credit

Error D2		
Size of Min/Max Pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 95%	0%	0%
95% - 100%	0%	5%
100% - 105%	0%	(max(pipeline, back and HR adjusted 't')%-100)%
105% - 110%	0%	(max(pipeline, back and HR adjusted 't')%-100)%
> 110%	(min(pipeline, back and HR adjusted 't'))%- 100%	(max(pipeline, back and HR adjusted 't'))%-100%+2.5%

9.3.10 Asymmetry of errors A and C

Earlier it was mentioned that in the absence of any evidence to the contrary we assume that errors A and C are symmetrical in size. This section describes the evidence we use to determine whether or not A and C are in fact asymmetrical in size.

The main analytical tool we use is a comparison of modelled entitlement to reported receipt for those benefit units reporting receipt on the FRS. We work out the proportion of cases we model as entitled to more than they report receiving – this is termed 'over-modelling'. We also work out the proportion of cases we model as entitled to less than they report receiving – this is known as 'under-modelling'. We assume that errors A and C are asymmetrical in size for any group where there is a greater than 10 percentage point difference between 'over-modelling' and 'under-modelling'. However we only adjust our assumptions for the upper and lower limits of A and C where the s-statistic is also above 10 per cent, for it is only above this level that we believe asymmetry in the size of A and C will have a significant impact upon estimated take-up.

In 2009-10 couples with children entitled to Jobseeker's Allowance (IB) satisfied these criteria, so A and C were assumed to be asymmetrical.

When a group does satisfy the criteria for assuming errors A and C are asymmetrical we adjust the upper and lower limit assumptions for A in the following way:

- If the evidence suggests that error C is less likely to occur than error A, this means that we are adding far more false ENRs to our ENR count through error A than we are subtracting through error C. The net effect of this is to artificially inflate the ENR count, which in turn artificially deflates the take-up point estimate. Note that this effect is the same as without asymmetry, whereby symmetrical modelling A and C also artificially inflates the ENR count. However, in this case of asymmetry, this is happening to a much greater extent. To correct for this, we take the ratio of 'over-modelling' to 'under-modelling' and scale-up the upper and lower limits of error A, and continue to assume that the upper limits of A and C should be used to calculate the upper limit of true take-up, and vice versa.

- On the other hand, if the evidence suggests that error A is less likely to occur than error C, we need to check whether this is happening to such an extent that we may now be artificially deflating the ENR count. If the ENR count is still being artificially inflated (as described in the previous paragraph) we use the assumptions outlined above. If however, we find that we may be deflating the ENR count, we take the ratio of 'over-modelling' to 'under-modelling' and multiply it by the upper and lower limits of error A. We then assume that the upper limit of errors A and C belong to the bundle of errors that will yield the minimum true take-up (and vice versa). This is because if A is less likely to occur than error C, this will mean that we are subtracting more ENRs through error C (under-statement of entitlement) than we are adding through error A (over-statement of entitlement). The net effect of this will be to subtract from the

true ENR count, and hence artificially inflate the take-up estimate. So, to correct for this we must deflate the take-up rate by inflating the ENR count. We do this by changing our usual assumptions (as described in Table 9.4.1, overleaf) and using the upper limit of error A where true take-up is minimised. Hence the upper limits of errors A and C are used to calculate the lower range of true take-up, and vice-versa.

9.3.11 The need for judgement

From the discussion so far it is clear that setting plausible ranges for errors A to E is a complex exercise that involves analytical judgement because we have no objective way of measuring the size of the errors. In some situations, evidence may lead us to depart from the error analysis framework described above. In particular, we may use external information to judge the size of the errors.

As an example, when we find a group where there appears to be evidence of asymmetrical modelling (as described above) for the first time we won't necessarily make an adjustment for this. Instead, we may wait for a consecutive year to see if asymmetry is a feature of this group. Then, any adjustment we make will allow us to publish an adjusted estimate for two consecutive years and will allow us to make like-for-like comparisons between the two years that are reported on in our tables.

9.4 Additional assumptions required

Once the upper and lower limits are decided for each of the errors A to E, some additional assumptions are required in order to calculate unambiguous corrected take-up figures:

Firstly we need to make an assumption about the level of true take-up in cases affected by error C. This is important because, if we assumed take-up was zero for these cases, it would imply a large number of cases were falsely classified as not entitled due to 'under-modelling' of entitlement. This would mean we were assuming a large downward bias in our baseline estimate of ENRs due to error C. If on the other hand we assumed take-up was 100 per cent for these cases, it would imply that no cases were falsely classified as not-entitled due to 'under-modelling'. This would mean we were assuming no downward bias in our estimate of ENRs due to error C. We label this additional assumption error 'a'.

Secondly we need to make an assumption about the level of true take-up amongst cases affected by error A. This is important because, if we assumed take-up was zero for these cases, it would imply a large number of cases are falsely classified as ENRs due to 'over-modelling' of entitlement. This would mean we were assuming a large upward bias in our baseline estimate of ENRs due to error A. If on the other hand we assumed take-up was 100 per cent for these cases (which seems unlikely unless there were large amounts of fraud/mistakes) it would imply that there were no cases falsely classified as ENRs due to 'over-modelling'. This would mean we were assuming no upward

bias in our estimate of ENRs due to error A. We label this additional assumption error ‘b’.

Again, judgement is required when setting the levels of these take-up rates and in practice these assumptions are given upper and lower limits.

The final step is to bring all of these assumptions about errors and take-up rates in the presence of errors together in two combinations: one that gives us maximum take-up rate and one that gives us a minimum take-up rate. Table 9.4.1 summarises the appropriate combinations.

9.4.1 Error combinations that yield the maximum and minimum limits for true take-up

Error	For minimum true take-up	For maximum true take-up
A	Lower	Upper
B	Lower	Upper
C	Lower	Upper
D1	Upper	Lower
D2	Lower	Upper
E	Upper	Lower
‘a’	Lower	Upper
‘b’	Upper	Lower

One of the things to note is that we combine the upper limit for error A with the upper limit for error C when calculating maximum true take-up and the lower limit for both A and C when calculating minimum true take-up. This may not seem intuitive, given the preceding discussion. However, we make an additional assumption that these are the only plausible combinations of these errors, modelling error is either very likely (upper limits for A and C), or not very likely (lower limits for A and C).

Once we have all of the necessary assumptions, we then perform a calculation that tells us what true take-up would be given the sizes of all the errors. The nature of the errors means that it is likely that some errors may interact with one another, and so may either cancel each other out, or multiply the effects of another error. This means that we cannot simply correct for each error separately. The calculation takes account of this and gives an estimate of true take-up consistent with the assumptions that have been made for that group.

9.5 Reporting change in bias

Across the chapters there are references to ***change of bias*** affecting the results output and the conclusions reached.

To assist the reader's interpretation, one or more of the following changes would need to have occurred:

- A change in modelling assumptions.
- A change from symmetrical to asymmetrical error modelling (or opposite).
- A major change in the t-statistic or s-statistic.
- A major change in the proportion of over and under-modelling of entitlement when compared to reported receipt.

9.6 An example

The following section explains how the above methodology was used to produce a range of true take-up of Council Tax Benefit (CTB) for Pensioners in 2009-10. The take-up of CTB for Pensioners has been chosen as it is one of the more straightforward statistics to calculate.[24]

The initial step in estimating take-up is to collect the administrative data on the number of Pensioner recipients and the average amount of CTB they receive. Next the Family Resources Survey (FRS) is analysed to give estimates of the number of Entitled Non-Recipients (ENRs) and the average amount they leave unclaimed. We can then combine these figures to produce the baseline estimates of take-up. In 2009-10 the baseline estimates for the take-up of CTB for Pensioners were as follows:

Administrative data	**Family Resources Survey data**
Recipients = 2,590,850	Recipients = 2,361,105
Average weekly receipt = £16.00	Average weekly unclaimed = £14.00
	Entitled Non-Recipients = 2,045,209
	Non-Entitled Recipients = 182,901
Baseline caseload take-up = 2,590,850/(2,590,850+2,045,209) = **56%**	
Baseline expenditure take-up = (2,590,850*£16.00)/((2,590,850*£16.00)+(2,045,209*£14.00)) = **59%**	

Weekly average claimed and unclaimed amounts have been rounded to the nearest pound in the above illustration. Un-rounded amounts are used in the construction of estimates of expenditure within Chapters 2 to 6.

The next step is to assess the likely extent of the errors that might have distorted these baseline estimates. As explained earlier in this Appendix, this is done in part by examining the values of ‘s’ and ‘t’: where ‘s’ is the proportion of grossed-up FRS recipients modelled as not entitled and ‘t’ is the grossed-

[24] The error decision process for Pension Credit is slightly different to the remaining benefits due to the use of datamatching to identify ‘hidden recipients’ and the inclusion of backdaters. See section 8.7.4 for more details on the additional steps associated with the derivation of Pension Credit take-up rates.

up number of FRS recipients divided by the count of recipients from the administrative data.

For Pensioners entitled to CTB in 2009-10, ‘s’=7.6 per cent (182,901/2,361,105) and ‘t’=91.0 per cent (2,361,105/2,590,850).

It is now possible to assess the extent of errors A to E. Since ‘s’ for Pensioners is below 10 per cent, the general assumptions of a lower limit of (s/3) per cent and an upper limit of (s) per cent can be followed for Error A. Since ’s’ is 7.6 per cent there will be some adjustment to the baseline estimate for modelling error.

Error C is used to estimate the extent of under-statement of entitlement to the benefit. The size of the ‘s’ statistic can be used to determine the likely upper and lower limits of error C. Here we use the general assumptions of a lower limit of (s/3) per cent and an upper limit of (s) per cent, and hence 2.5 per cent and 7.6 per cent respectively in the case of Pensioners.

The size of error E is determined in a similar way to errors A and C, in that it uses the size of the s-statistic. We need to make a judgement about the extent to which mistakes and fraud can lead to someone not actually being entitled at all when in receipt. An analysis of the percentage of FRS recipients ‘over-modelled’ and the percentage ‘under-modelled’ helps here.

In 2009-10 we ‘over-modelled’ 34 per cent of Pensioner recipients of CTB (this means we modelled them to be entitled to more than they actually reported receiving) and we ‘under-modelled’ 32 per cent. However, ‘s’ tells us that despite ‘under-modelling’ 32 per cent of this group, we only modelled 7.6 per cent of them to be not entitled at all. This implies that the proportion of recipients likely to be not entitled to benefit at all is quite low. So we make the judgement that in the case of Pensioners, the upper and lower limits for error E should be set at the same levels as those for errors A and C.

The ‘t’ statistic allows us to calculate the size of errors B and D, the under-reporting and grossing errors respectively. Tables 9.3.3 to 9.3.5 presented above show the general approach to setting the levels of errors B and D.

In 2009-10 there were a number of Pensioners who had claimed CTB at the time of their FRS interview and were awaiting the outcome of those claims, known as ‘pipeline cases’, which amounted to 2.0 per cent of the administrative data count. As the ‘t’ statistic is less than 100 per cent, it was assumed that for under-reporting error, error B, the lowest plausible assumption emanates from these pipeline cases.

For the upper limit, it is assumed that the error for under-reporting cases cannot be larger than X*(100-t) plus the pipeline estimate where X is the percentage of under-reporting cases that could generate false ENRs – which in this case is 34 per cent. So, the lower and upper limits for B are 2.0 per cent and 5.1 per cent.

As the ‘t’ statistic is 91.0 per cent, as per Tables 9.3.4 and 9.3.5 in this appendix, we consider there to be the possibility of having both under-grossed and over-grossed our estimate of ENRs.

Table 9.3.4 shows the general rule we use for setting the upper and lower limits of error D1 (under-grossing). When ‘t’ lies between 90 and 95 per cent, the lower limit is set to 0%, that is to say an assumption of no under-grossing. The upper limit from under-grossing is set at (100-t)%.

Similarly, Table 9.3.5 shows that we assume there is some possibility of over-grossing (error D2) for the top end of the error range. According to the table the assumed upper limit on this error is calculated as (t-100)% + 10%, while the lower limit is set to 0.

To summarise, the upper and lower limits of errors A to E of CTB for Pensioners are:

	Lower limit	**Upper limit**
Error A	2.5%	7.6%
Error B	2.0%	5.1%
Error C	2.5%	7.6%
Error D1	0.0%	9.0%
Error D2	0.0%	1.0%
Error E	2.5%	7.6%

The final step is to set levels of take-up by those affected by error A (‘b’) and take-up by those affected by error C (‘a’). ‘a’ is set relative to the assumed level of true take-up and ‘b’ is set relative to ‘a’, such that ‘b’ is always smaller than ‘a’. This is because we expect take-up by those truly not-entitled but modelled as entitled (‘b’) will be lower than take-up by those truly entitled but modelled as not entitled (‘a’). We set different levels for these assumptions depending upon whether we are calculating the upper end of the true take-up range or the lower end of the true take-up range.

With all the assumptions set it is then possible to calculate an adjusted caseload take-up rate using any combination of the assumptions together with the baseline take-up rate. The table above summarises the combinations of assumptions that give the lowest plausible estimate of true take-up and the highest plausible estimate of true take-up.

To produce the highest plausible estimate of true take-up, errors A, B, C and D2 were set to their upper limits, errors D1 and E were set to their lower limits, ‘a’ was set to its lower limit and ‘b’ to its upper limit. In practice this means setting:

- error A at 7.6 per cent
- error B at 5.1 per cent
- error C at 7.6 per cent
- error D1 at 0.0 per cent
- error D2 at 1.0 per cent
- error E at 2.5 per cent
- ‘a’ at 20.0 per cent
- ‘b’ at 10.0 per cent

To give a plausible upper limit of take-up of 59 per cent.

To produce the lowest plausible estimate of true take-up, errors A, B, C and D2 were set to their lower limits, errors D1 and E were set to their upper limits, ‘a’ was set to its upper limit and ‘b’ to its lower limit. In practice this means setting:

- error A at 2.5 per cent
- error B at 2.0 per cent
- error C at 2.5 per cent
- error D1 at 9.0 per cent
- error D2 at 0.0 per cent
- error E at 7.6 per cent
- ‘a’ at 40.0 per cent
- ‘b’ at 5.0 per cent

To give a plausible lower limit of take-up at 54 per cent.

These estimates of 59 per cent and 54 per cent are arrived at through the use of a calculation that uses what we know about all the errors, and any interactions between them, and arrives at a level of true take-up given our assumptions.

Finally, a range of true expenditure take-up is calculated using the estimates of average claimed and unclaimed amounts, combined with the upper and lower bounds of true caseload take-up.

This means the lower bound for true expenditure take-up, in this example, is (54*£16.00)/ ((54*£16.00) + (46*£14.00)) i.e.57 per cent.

The upper bound is (59*£16.00)/ ((59*£16.00) + (41*£14.00)) i.e. 62 per cent.

Before allowing for the effects of sampling error, the range of true caseload take-up of CTB for Pensioners in 2009-10 was between 54 per cent and 59 per cent. After allowing for the effects of sampling error, the range of true caseload take-up for this group becomes 54 per cent to 61 per cent.

Before allowing for the effects of sampling error, the range of true expenditure take-up of CTB for Pensioners in 2009-10 was between 57 per cent and 62 per cent. After allowing for the effects of sampling error, the range of true expenditure take-up for this group becomes 56 per cent to 64 per cent.

9.7 The relative importance of different assumptions

Because of interactions between the errors it is not possible to fully attribute each error with its part in the overall adjustment of the take-up rate from the baseline estimate to the estimate of true take-up. However it is possible to make a number of general points.

Errors A and C have their greatest impact on the estimated upper limit of true take-up. This is due to the fact that we fully expect take-up by those falsely estimated to be entitled to benefit to be lower than take-up by those falsely estimated to be not entitled to benefit (hence our assumption for ‘a’ is always larger than our assumption for ‘b’). So, despite the fact that in most cases our assumptions about the overall chances of A and C occurring are symmetrical, we assume that error A has the greatest effect on the baseline take-up estimate. This difference is accentuated for higher levels of A and C, and it is these higher levels that we assume when estimating the upper limit for true take-up.

Error B also has its greatest impact on the estimated upper limit of true take-up. This is simply because error B inflates the baseline estimate of Entitled Non-Recipients above its true level so the appropriate correction for this is to adjust the number of ENRs downwards when calculating true take-up. The larger the assumption we use for error B, the larger the downward adjustment to the ENR count we will make and hence the higher we will push our estimate of true take-up.

Error D has much less impact on the results. A given percentage error in grossing-up the baseline estimate of ENRs will have its greatest impact when the ENR estimate is relatively large, i.e. when true take-up is relatively low. So the greatest effect of error D will be on the lower limit of true take-up. In the example described above, the assumptions for error D have little impact on the final estimates because the baseline estimate of take-up is relatively high.

Assumptions with respect to the receipt of benefit by non-entitled people have little impact overall since error E only comes into play indirectly in combination with the other errors. For example, error E will reduce the impact of error A on the baseline estimate of take-up since those who receive benefit when they are truly not entitled cannot be falsely added to the estimate of Entitled Non-Recipient.

Income Related Benefits:
Estimates of Take-up in 2009-10

The Income Related Benefits: Estimates of Take-up report covers Great Britain for the financial year 2009-10. It provides caseload and expenditure estimates of take-up for Income Support, Employment and Support Allowance (Income-Related), Pension Credit, Housing Benefit (including Local Housing Allowance), Council Tax Benefit and Jobseeker's Allowance (Income-Based).

The publication explores some of the reasons for non-take-up and includes the position of those entitled to but not receiving benefits in the household income distribution - as defined by the Households Below Average Income series.

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