

Support for Mortgage Interest within Income Support and Jobseeker's Allowance: Profile of recipients, household composition and part-time employment

July 2012

Contents

Introduction.....	3
Background	4
Methodology	6
Results	8

Introduction

This ad hoc statistical release presents a high-level profile of Support for Mortgage Interest (SMI) recipients claiming Income Support or Jobseeker's Allowance. The profile includes estimates on the caseload (national and regional), average award and age group by gender. Estimates of household composition and part-time employment are also provided. Estimates are derived from the Quarterly Statistical Enquiry and provide a snapshot of the latest information.

Queries about the content of this document

Please direct any queries to:

Scott Johnston

Department for Work and Pensions

3rd Floor Caxton House

Tothill Street

London

SW1H 9NA

Phone 0207 449 5372

Email scott.johnston@dwp.gsi.gov.uk

Background

Support for Mortgage Interest

1. Claimants who receive Income Support (IS), income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA), or Pension Credit (PC) may be entitled to help towards their mortgage costs. This is known as Support for Mortgage Interest (SMI). SMI covers eligible interest on loans, up to prescribed capital limits, taken out to purchase a home and on certain home improvement loans for repairs and improvements which are necessary to maintain the home's fitness for habitation.
2. SMI is a safety net for particular circumstances. For working age people these may include loss of employment or sickness where help is intended to enable them to return to work quickly so they can meet their responsibilities for paying their mortgage. It is not intended to meet mortgage commitments in full.
3. SMI is not a stand-alone benefit. Claimants have to satisfy the qualifying conditions for one of the income-related benefits to receive it. The benefits listed above are income-related and entitlement is calculated dependent on the claimant's level of income and savings. The working-age benefits (IS, income-based JSA and income-related ESA) have 'remunerative work' rules which specify the hours that can be worked by the claimant or partner before entitlement to benefit ceases. Claimants are also excluded on grounds of capital in excess of the specified limit, or where other income exceeds the household's requirements.
4. A person's eligible mortgage interest is calculated using a standard interest rate and the capital balance (net of arrears) outstanding on the loan taken out to purchase the home, and for certain loans for repairs and improvements. The standard interest rate is currently 3.63%.
5. Temporary changes to SMI rules have applied since January 2009. From 5 January 2009 claimants receiving income-based JSA, IS or income-related ESA, came under new rules for SMI:
 - A 13 week waiting period before SMI becomes payable (this was previously 8/26 and 39 weeks).
 - A higher capital limit up to which SMI is payable of £200,000 (this was previously £100,000)
 - A two year limit on payment of SMI for claimants receiving income-based JSA. There is no limit to how long SMI is payable for claimants receiving SMI in IS, income-related ESA or PC.
6. National statistics on SMI for IS and JSA are available on the Department for Work and Pensions (DWP) Tabulation Tool:
<http://statistics.dwp.gov.uk/asd/index.php?page=tabtool>. SMI statistics are

Support for Mortgage Interest within Income Support and Jobseeker's Allowance: Profile of recipients, household composition and part-time employment

available in the 5% sample data. The same source datasets have been used to derive the estimates provided in this publication.

7. SMI benefit expenditure and caseload forecasts are available from the DWP Benefit expenditure tables webpage:

<http://statistics.dwp.gov.uk/asd/asd4/index.php?page=expenditure>

Methodology

General

8. The figures presented draw on Quarterly Statistical Enquiry (QSE) data from November 2011. The QSE data provides point-in-time estimates in each quarter. The figures presented draw on 5% Quarterly Statistical Enquiry sample data relating to Income Support (IS) and Jobseeker's Allowance (JSA). Therefore, all figures are subject to a degree of sampling variation.
9. This publication on SMI is focused on working age benefits and hence no figures for Pension Credit have been included. Figures for Employment and Support Allowance (ESA) have also not been included; however this is due to a lack of National Statistics data series. Consequently this publication does not include ESA SMI caseload or award information. To provide a true picture and fair representation of the working age SMI caseload trend, it would be important to include a time series of IS, JSA and ESA SMI caseloads. Therefore, only the latest IS and JSA SMI caseload data has been provided. Historical quarterly IS and JSA SMI caseload information can be obtained from the DWP Tabulation Tool (see information in paragraph 6).
10. IS and JSA claimants will be recorded as in receipt of SMI if they are recorded to receive a positive award for mortgage interest, which can include other housing costs.
11. Caseloads derived from the 5% sample data have been scaled up to the overall 100% Work and Pensions Longitudinal Study (WPLS) total for the benefit.
12. Caseloads are rounded to the nearest hundred, therefore totals may not sum. The total SMI caseloads for IS and JSA are in Table 1. Average award amounts are rounded to the nearest penny. Proportions are rounded to the nearest percent.
13. Figures relate to Great Britain only.

Household composition

14. The household composition is broken-down into four categories, by the partner and dependent status of the SMI recipient. For IS, partner status is derived from the marital status indicator; for JSA, the partner status is derived from completion of partner information. SMI recipients are determined as having dependents where the relevant variable on the dataset indicates the IS or JSA claimant has at least one dependent.

Part-time employment

15. The income related benefit rules restrict benefit entitlement to recipients who work less than 16 hours per week, and their partners work less than 24 hours per week.
16. An SMI recipient on JSA or IS will be recorded as being in part-time employment if the recipient, their partner or both are recorded as having earnings or self-employed earnings. Therefore "part-time work" here refers to recipients working less than 16 hours per week, or where a recipient's partner works less than 24 hours per week, of paid employment (which includes self-employment).
17. In addition to the November 2011 QSE data, part-time employment also uses QSE data from February 2011, May 2011 and August 2011. This is to provide an average and so minimise any impact of seasonality.

Results

Profile of Support for Mortgage Interest recipients

Table 1: Caseload and average weekly award of SMI recipients on IS or JSA, Great Britain, November 2011

	IS and JSA combined	IS	JSA
Caseload	85,500	58,900	26,700
Average weekly award	£41.05	£36.73	£50.49

Source: DWP Quarterly Statistical Enquiry: November 2011

Table 2: Caseload and proportion (%) of SMI recipients on IS or JSA by Government Office Region, November 2011

	IS and JSA combined		IS		JSA	
	Caseload	%	Caseload	%	Caseload	%
North East	3,800	4%	3,000	5%	900	3%
North West	11,800	14%	8,800	15%	3,000	11%
Yorkshire and The Humber	8,500	10%	5,800	10%	2,700	10%
East Midlands	6,500	8%	4,200	7%	2,300	9%
West Midlands	10,100	12%	6,900	12%	3,300	12%
East of England	7,300	9%	4,700	8%	2,500	9%
London	11,300	13%	7,200	12%	4,100	15%
South East	9,000	11%	6,100	10%	2,900	11%
South West	5,700	7%	4,100	7%	1,600	6%
Wales	5,500	6%	4,100	7%	1,400	5%
Scotland	6,100	7%	4,100	7%	2,000	7%
Great Britain	85,500	100%	58,900	100%	26,700	100%

Source: DWP Quarterly Statistical Enquiry: November 2011

Table 3a: Caseload of SMI recipients on IS or JSA by age and gender, Great Britain, November 2011

	IS and JSA combined		IS		JSA	
	Male	Female	Male	Female	Male	Female
18-24	100	200	100	100	-	-
25-34	2,700	5,500	900	4,600	1,800	900
35-44	9,000	14,900	4,100	11,100	4,900	3,800
45-54	16,100	18,000	9,400	13,600	6,700	4,400
55-59	8,800	7,800	6,400	6,600	2,400	1,200
60-64	1,600	1,000	1,100	900	500	100
All	38,300	47,300	22,000	36,900	16,300	10,400

Source: DWP Quarterly Statistical Enquiry: November 2011

Support for Mortgage Interest within Income Support and Jobseeker's Allowance: Profile of recipients, household composition and part-time employment

Table 3b: Proportion of caseload of SMI recipients on IS or JSA by age and gender, Great Britain, November 2011

	IS and JSA combined		IS		JSA	
	Male	Female	Male	Female	Male	Female
18-24	0%	0%	0%	0%	0%	0%
25-34	7%	12%	4%	12%	11%	9%
35-44	24%	31%	19%	30%	30%	37%
45-54	42%	38%	43%	37%	41%	42%
55-59	23%	16%	29%	18%	15%	11%
60-64	4%	2%	5%	2%	3%	1%
All	100%	100%	100%	100%	100%	100%

Source: DWP Quarterly Statistical Enquiry: November 2011

Household composition

Table 4: Caseload and proportion of SMI recipients on IS or JSA by household composition, Great Britain, November 2011

	IS and JSA combined		IS		JSA	
	Caseload	%	Caseload	%	Caseload	%
No Partner, No Dependents	37,100	43%	23,800	40%	13,200	50%
No Partner, Dependents	23,600	28%	17,600	30%	6,000	22%
Partner, No Dependents	11,200	13%	9,000	15%	2,200	8%
Partner, Dependents	13,600	16%	8,400	14%	5,200	20%
All	85,500	100%	58,800	100%	26,700	100%

Source: DWP Quarterly Statistical Enquiry: November 2011

Part-time employment

Table 5: Caseload and proportion of SMI recipients on IS or JSA in part-time employment, Great Britain, February 2011 – November 2011

	IS and JSA combined		IS		JSA	
	Caseload	Proportion	Caseload	Proportion	Caseload	Proportion
Feb 11 - Nov 11 average	5,300	6%	3,000	5%	2,300	8%

Source: DWP Quarterly Statistical Enquiry: February 2011, May 2011, August 2011 and November 2011

Notes for tables:

1. Source: Department for Work and Pensions Quarterly Statistical Enquiry. This is 5% sample data. All figures are subject to a degree of sampling variation. Caseload figures derived from the 5% sample data have been scaled up to the overall 100% WPLS total for the benefit. Details on scaling to 100% WPLS are contained within guidance notes:
<http://statistics.dwp.gov.uk/asd/asd1/tabtools/guidance.pdf>
2. Coverage: figures relate to Great Britain, with regional data in Table 2.
3. Periods: as specified within table source, either only November 2011, or in the case of Table 5 only, inclusive of data from February 2011, May 2011 and August 2011.

Support for Mortgage Interest within Income Support and Jobseeker's Allowance:
Profile of recipients, household composition and part-time employment

4. Rounding: Caseloads are rounded to the nearest hundred; percent to the nearest whole percent; average award amounts are rounded to the nearest penny; and "-" indicates a nil or negligible value. Due to rounding, totals may not sum.
5. Part-time employment: figures have been averaged over the last four quarters of data to limit the impacts of seasonality.

Scott Johnston

Department for Work and Pensions

July 2012