



Department
for Work &
Pensions

Jobcentre Plus activity regarding claimants who have been identified as potentially impacted by the benefit cap

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Background

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

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

The cap applies to the combined income from benefits including:

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

One-off payments and non-cash benefits, such as Free School Meals, are not included in the assessment of benefit income.

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

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

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

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

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

Since April 2012 Jobcentre Plus has been supporting claimants potentially affected by the benefit cap to ensure they receive the help they need to move closer to the labour market where possible, as moving into employment is the best route out of poverty.

Jobcentre Plus collates data on the engagement activity it undertakes with claimants who may be affected by the benefit cap. These capture a number of activities including: the number of claimants accepting employment support and the number of claimants moving into employment. This support has continued with those who are then actually affected by the cap.

Methodology

The majority of Jobcentre Plus' engagement activity with claimants who may be affected by the benefit cap is captured within the Labour Market System (LMS), a secure electronic database. Once captured, this Management Information is reconciled fortnightly with the following statistics compiled every 4 weeks.

The Labour Market System is an established source used for the production of official statistics (including Employment and Support Allowance statistics). LMS data is collected using established methods for producing Management Information in Jobcentre Plus, including system markers and reports.

Results

Since claimants were notified of the benefit cap in April 2012:

- Jobcentre Plus has helped around 19,000 claimants identified as living in potentially capped households into work; and
- Approximately 35,800 people have accepted an offer of employment support.

The following table provides a breakdown of activity for the whole of Great Britain¹ for each month from 25 May 2012 to 8 November 2013. Figures are cumulative and rounded to the nearest 100.

| Time point* | | Cumulative number of claimants accepting employment support | Cumulative number of claimants participating in employment support | Cumulative number of claimants moving into work |
|-------------|--------------|---|--|---|
| 2012 | 25 May | - | - | - |
| | 22 June | 3,000 | 500 | 1,000 |
| | 20 July | 6,000 | 1,300 | 1,700 |
| | 17 August | 7,800 | 2,000 | 2,400 |
| | 14 September | 8,800 | 2,500 | 3,000 |
| | 12 October | 10,900 | 3,000 | 3,200 |
| | 9 November | 11,700 | 4,300 | 4,300 |
| | 7 December | 13,600 | 6,300 | 5,100 |
| 2013 | 4 January | 16,200 | 9,200 | 5,500 |
| | 1 February | 18,400 | 11,900 | 6,000 |
| | 1 March | 22,200 | 15,300 | 6,900 |
| | 29 March | 25,200 | 17,500 | 8,200 |
| | 26 April | 28,200 | 19,900 | 9,600 |

¹ Northern Ireland do not currently have legislation in place to support the benefit cap process and are therefore not in a position to provide statistical information on employment activity. However, customer engagement will begin as soon as Royal Assent is granted and the aim would be to supply this information when available.

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| | | | |
|--------------|--------|--------|--------|
| 24 May | 30,600 | 21,800 | 11,000 |
| 21 June | 32,300 | 23,700 | 12,400 |
| 19 July | 34,500 | 25,600 | 14,000 |
| 16 August | 35,300 | 27,100 | 15,300 |
| 13 September | 35,600 | 27,800 | 16,500 |
| 11 October | 35,800 | 28,100 | 18,000 |
| 8 November | 35,800 | 28,300 | 19,000 |

* Each time point corresponds to when the LMS was scanned to capture a snapshot of claimant activity.

- Negligible due to rounding.

Important:

The figures for those claimants moving into work cover all of those who were identified as potentially being affected by the benefit cap who entered work. The statistics are not intended to show the *additional* numbers entering work as a direct result of Jobcentre Plus support. These statistics do not include information on the duration of jobs or type of work. Some of the claimants reported in these statistics will have been impacted by the benefit cap.

Since April 2012 Jobcentre Plus has been supporting claimants potentially affected by the benefit cap. This support has continued during the implementation of the cap with those who have actually been affected. All appropriate households identified were capped by the end of September 2013.

These statistics are based on all claimants potentially affected by the cap. As the benefit cap has been implemented these statistics will begin to include both claimants who actually have been capped and those who have not because of changes to their circumstances. For this reason this will be the last statistical release of this type, and from February 2014 we will be publishing more detailed Official Statistics showing benefit cap off flows by reason. One of these reasons is "Working Tax Credit exemption" as a proxy for movements into work within the household. These new statistics will focus on those households impacted by the cap, rather than those claimants potentially affected.

Notes

- 1) This data is taken from Jobcentre Plus' Labour Market System (LMS). The figures are based on pilot markers captured from 25 May 2012 to 8 November 2013 inclusive. Figures are rounded to the nearest 100.
- 2) For those moving into work the data is based on a marker within the LMS that captures when claimants inform Jobcentre Plus that they have found work. Once claimants notify Jobcentre Plus the information is recorded on the LMS.
- 3) For each time point the latest collation of pilot markers are used, for example for 8 November 2013 the system was scanned at the end of that day to capture a snapshot of activity up to and including that date.
- 4) Department for Work and Pensions analysts conduct plausibility and consistency checks on the Management Information generated from the Labour Market System to ensure it is of a reasonable standard. However, as the data is at the aggregate level the Department is unable to carry out the full range of validation and quality assurance checks that would be possible on individual record level data sets, which many of the Department's other statistical series are based on.
- 5) Claimants accepting employment support refers to those who have accepted the offer of additional interventions or employment support provision.
- 6) Claimants participating in employment support includes those participating in the Work Programme, other provision and additional Jobcentre Plus Personal Adviser support.
- 7) Whilst it is likely that the majority of movements into work in this most recent month among potentially capped claimants will have actually been from capped cases the nature of the LMS data underlying this series means this cannot be verified. People identified as potentially impacted by the cap are claimants, who at the time of identification were not in receipt of, or in the same benefit unit as someone in receipt of an exempting benefit and:
 - Who at the time were in a benefit unit that receives more benefit per week than the weekly cap level, or,
 - Who were in a benefit unit anticipated to have weekly benefit over the weekly cap level given benefits uprating between the date identified and the cap being fully implemented, or,
 - Who at the time of identification were in a benefit unit that had their benefit capped.

Contacts

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

More statistics on the Benefit Cap are available at:

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

Other National Statistics publications and general information about the official statistics system of the UK are available from www.statistics.gov.uk

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