

# Freedom of Information request 551/2012

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## Information request

- (1) How many households actually receive £26,000 per annum in benefits?
- (2) How is this amount split between tax credits, housing benefit, council tax benefit, income support, employment and support allowance etc?
- (3) How many children belong to these households, on average?
- (4) How many households currently receive benefits in the UK?
- (5) What is the average amount of benefits paid out per household per annum?
- (6) What is the most prevalent type of benefit paid – e.g. housing benefit, child benefit, income support etc?

## DWP response

***You have asked about households on benefit. In all of the following figures, the definition of a household used is a single adult, or a married or cohabiting couple and any dependent children.*** (Here, an adult is defined as an individual aged 16 or over, unless defined as a dependent child. An individual may be defined as a child if aged 16-19 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 on a Government training scheme). This definition is commonly referred to as a benefit unit, or family.

In answering questions (1), (2) and (3), all of the figures are estimates, based on the recent DWP Impact Assessment on those affected by the cap. The Impact Assessment described the characteristics of those likely to be affected and can be downloaded from the DWP website, at the following address:

<http://www.dwp.gov.uk/docs/household-benefit-cap-wr2011-ia.pdf>

The figures in this document exclude certain groups who are exempt from the cap, such as recipients of Disability Living Allowance; it should be noted that these groups might also be in receipt of more than £26,000 a year in benefits.

***The results in the first three questions are restricted to working-age households.***

### **Question (1)**

The Impact Assessment states that 67,000 households in Great Britain are likely to receive enough in benefits to be affected by the cap. The number estimated to be receiving more than £26,000 a year in benefits is 58,000 (the remainder being childless singles, whose cap is set at a lower amount).

The document states that only a small minority of all households will be affected by the cap (around one per cent of all households in receipt of a working-age benefit from DWP).

### **Question (2)**

The Government will be localising support for Council Tax from 2013-14, and any localised support will not be included in the sum of benefits received, when assessing whether a household receives more than the cap. Additionally, households in receipt of Working Tax Credit will be exempt from the cap, therefore none of those affected will receive any Working Tax Credit.

Estimates project that all households affected by the cap will be in receipt of Housing Benefit. The estimated mean weekly amount of Housing Benefit received by the 67,000 affected by the cap is £240. This is the amount before the cap is applied; after the cap has been applied, this figure is reduced by £83 per week.

It is estimated that around 57,000 of the households affected by the cap will be in receipt of Child Tax Credit and the Family Element of tax credits. When these are added together, the estimated mean weekly amount received by these households is £209, of which £199 is from Child Tax Credit.

Households affected by the cap can be in receipt of only one of Jobseeker's Allowance, Employment and Support Allowance, or Income Support at any point in time. For households in receipt of Jobseeker's Allowance, the estimated mean weekly amount in payment is £87. For households in receipt of Income Support, the estimated mean weekly amount in payment is £110. For households in receipt of Employment and Support Allowance, the estimated mean weekly amount in payment is £101.

### Question (3)

The Impact Assessment estimates that the number of children within the affected households is 220,000. The most frequently occurring number of children within these households is four. The full distribution is shown by Chart 1 of the Impact Assessment.

For the answers to questions (1), (2) and (3), the following notes are relevant:

- a. All of the figures relate to Great Britain and the financial year 2013-14, when the cap is due to be implemented.
- b. All of the figures relate to working age households only, which in this case means any household where one of the adults is below retirement age.
- c. After these figures were published, the Government announced that claimants who are in the Support Group of Employment and Support Allowance will also be exempt from the cap; and that claimants within the first nine months of their claim, and who had been in work for twelve months prior to claiming, would likewise be exempt from the cap. None of the figures above take account of these exemptions. This means that these figures are subject to change, ahead of the Welfare Reform Bill gaining Royal Assent.
- d. As set out in the Impact Assessment, these figures are based on the assumption that the situation of these households will go unchanged, and they will not take any steps to either work enough hours to qualify for Working Tax Credit, renegotiate their rent in situ, or find alternative accommodation. In practice, and for all of these households, DWP is working to support households through this transition, using existing provision through Jobcentre Plus and the Work Programme to move as many into work as possible.

The following three answers cover the period 2009/10 and are derived from the Family Resources Survey (FRS), which is a nationally representative sample of around 25,000 private households in the UK. More information on the FRS can be found at:

[http://research.dwp.gov.uk/asd/frs/2009\\_10/index.php?page=intro](http://research.dwp.gov.uk/asd/frs/2009_10/index.php?page=intro).

***Note that the FRS is known to under-record benefit receipt, and so the estimates presented should be treated with caution. More information can be found at:***

***[http://research.dwp.gov.uk/asd/frs/2009\\_10/chapter7.pdf](http://research.dwp.gov.uk/asd/frs/2009_10/chapter7.pdf), but nevertheless the FRS is currently the best source for this information. This data covers all households, not just those of working-age.***

#### **Question (4)**

DWP estimates that the overall number of households in receipt of any benefit or Tax Credit income in the UK in 2009/10 was 20.1 million. This figure includes all benefits and tax credits, independent of whether they are included in the benefit cap.

#### **Question (5)**

DWP estimates that, where households were in receipt of either benefits or Tax Credits or both, the mean amount paid to them in 2009/10 was £7,500 per annum; and the median amount was £6,900 per annum. Again this figure includes all benefits and tax credits, independent of whether they are included in the benefit cap or not.

#### **Question (6)**

The most prevalent benefit in payment is the Retirement Pension. Table 2.7 of the FRS 2009-10 publication reports that 26 per cent of households in the UK contain a recipient of the Retirement Pension. Of the benefits involved in the benefit cap, the most prevalent is Child Benefit.

For the answers to questions (4), (5) and (6), the following notes are relevant:

- a. All of the figures relate to the UK.
- b. The figures are derived from survey data for 2009-10, the latest year available, which was collected between April 2009 and March 2010.
- c. Annual amounts received have been rounded to the nearest £100, while percentages have been rounded to the nearest percentage point.
- d. The figures from the FRS are based on a sample of households which have been adjusted for non-response using multi-purpose grossing factors which align the estimates to regional populations by age and sex. Estimates are subject to sampling error and remaining non-response error.
- e. The FRS collects information on a range of benefits; for a complete list of benefits included within the benefit income definition please see the *Benefits* section within the FRS publication glossary found at:  
[http://research.dwp.gov.uk/asd/frs/2009\\_10/glossary.pdf](http://research.dwp.gov.uk/asd/frs/2009_10/glossary.pdf).