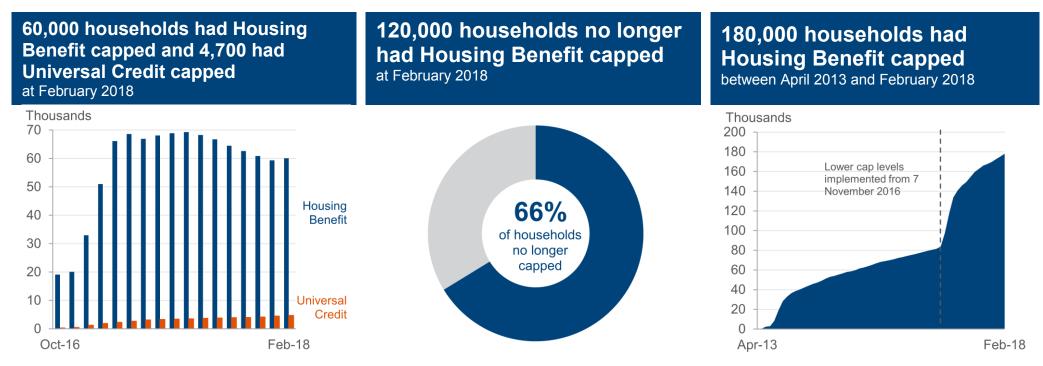
Department for Work & Pensions	Benefit Cap Data to February 2018 *	
C Quarterly	Great Britain Published: 3 May 2018	Official Statistics (with Experimental Statistics on Universal Credit)

There is a limit on the total amount of benefit that most people aged 16 to 64 can get. This is called the benefit cap.

The amount your household gets from some benefits might go down to make sure you do not get more than the cap limit. The benefit cap can be applied through Housing Benefit or Universal Credit. Universal Credit is still being rolled out across the country for different household groups.

Main stories

- 60,000 households had their Housing Benefit capped at February 2018.
- 4,700 households had their Universal Credit capped at February 2018. **



* Housing Benefit and Universal Credit cap statistics are measured differently. Housing Benefit statistics do not show the number of capped households on a particular date but over a monthly cycle, whilst Universal Credit statistics show the number of capped households on a specified date within the month. More information can be found on page 11.

** Figures for Universal Credit capped households include Universal Credit full service only. Due to data quality and reporting it is not possible to produce robust experimental statistics on the number of households capped under Universal Credit live service. Full service is available to all claimant types but only in certain areas of the country at present.

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Lead Statistician: Helen Shackleton helen.shackleton@dwp.gsi.gov.uk DWP Press Office: 0203 267 5144 Comments? Feedback is welcome	

Published 3 May 2018 Next edition on 2 August 2018

What you need to know

What is the benefit cap?

The benefit cap is a limit on the total amount of benefit that most people aged 16 to 64 can get.

This report contains official statistics on households that have had their benefits capped from when the cap was introduced, in April 2013, to February 2018.

The cap applies to:

- the combined income from benefits including:
 - Jobseeker's Allowance, Income Support, and Employment and Support Allowance (except when the Support Component is in payment);
 - Housing Benefit;
 - Child Benefit and Child Tax Credit;
 - o other benefits such as Incapacity Benefit and Bereavement Allowance;
 - o Universal Credit.

For most capped households the benefit cap is applied by reducing the amount of Housing Benefit (HB) they receive, so their total benefits no longer add up to more than the cap level. Unless otherwise stated, the statistics in this report relate to households that have had their HB capped.

The benefit cap can also be applied through Universal Credit (UC). Under UC the cap is applied to the full award not just to housing costs. This release also includes a <u>limited set of new experimental statistics</u> on the number of households that have had their UC capped. As set out in the <u>response to the consultation on UC</u> <u>statistics</u>, we plan to publish a fuller set of statistics on UC capped households as quality assurance of data from the UC systems is progressed.

How is it measured?

The main source of data on households that have had their HB capped is <u>the Single Housing Benefit Extract</u> (<u>SHBE</u>), which is taken from Local Authority computer systems.

Data on households that have had their UC capped is taken from the <u>DWP UC Official Statistics database</u>. This is compiled using data from systems within local offices and records of UC benefit payments made by DWP.

This report contains 4 measures:

- For HB & UC capped households:
 - Point-in-time caseload counts the number of capped households each month.
- For HB capped households only:
 - **Cumulative caseload** counts the overall number of households that have been capped from the introduction of the benefit cap to the latest month.
 - **On-flows** are the number of newly capped households each month.
 - Off-flows are the number of previously capped households no longer capped at the latest month.

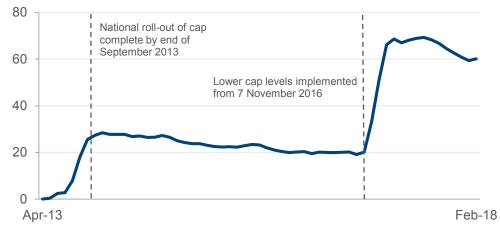
For more information see the Background Information and Methodology document.

How many households have their Housing Benefit capped?

The number of capped households fell this quarter

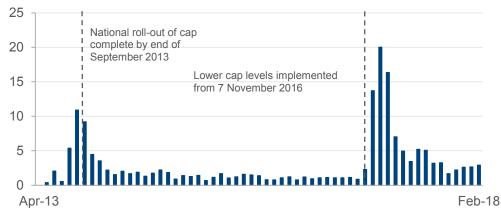
Capped households at each month, 15 April 2013 to February 2018 (Housing Benefit only)

Thousands



8,200 households newly capped in the last quarter





60,000 households had their Housing Benefit (HB) capped at February 2018. This is a decrease of 4%, or 2,600 households, on the previous quarter (November 2017). The decrease is due to more households moving off the cap this quarter compared to the number of households that had their HB capped for the first time.

As the roll-out of Universal Credit continues we would expect fewer households to claim HB and, therefore, the number of households that have their HB capped to fall.

Lower cap levels were initially applied to all households that already had their HB capped on 7 November 2016 and were then rolled-out to newly affected households from 7 November 2016 to 20 January 2017 by Local Authority.

See Data table 3 or Stat-Xplore for full data.

8,200 households had their HB capped for the first time this quarter (December 2017 to February 2018).

This is 1,000 households more than last quarter (September to November 2017), when 7,200 households had their HB capped for the first time.

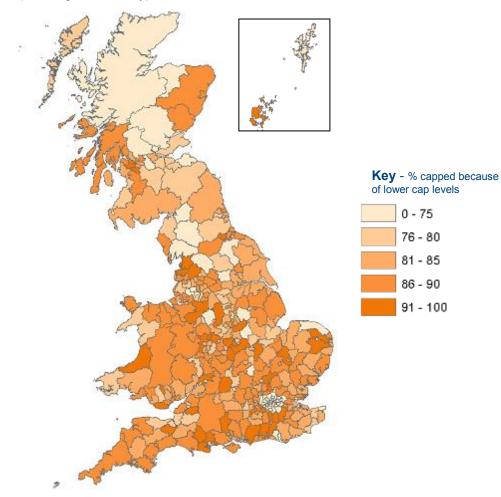
The number of households capped for the first time peaked in January 2017, when the roll-out of the lower cap levels was completed.

See Stat-Xplore for full data.

The impact of the lower cap levels

78% of capped households had their Housing Benefit capped because of the introduction of lower cap levels

Percentage of capped households capped because of introduction of lower cap levels by Local Authority, at February 2018 (Housing Benefit only)

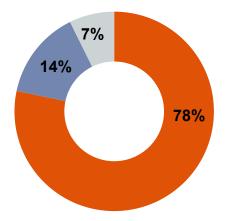


This map shows the percentage of capped households that had their Housing Benefit capped only because of the introduction of lower cap levels by Local Authority (LA), as at February 2018. These households would not have been capped if cap levels had remained at the pre-7 November 2016 levels.

The darker the LA on the map the higher the percentage of capped households capped only because of the lower cap levels.

Across Great Britain 78% (47,000) of households capped at February 2018 were capped only because of the introduction of the lower cap levels. 14% (8,700) of capped households would have been capped anyway, regardless of the lowering of the cap levels.

Percentage of capped households with Housing Benefit capped because of introduction of lower cap levels, at February 2018



See <u>Data table 7</u> for full data by LA and details of the methodology used for this analysis.

More information

The geographical region or LA reflects the LA in which the cap was applied to that household.

* The amount a household had their Housing Benefit capped by at February 2018 is used to determine if a household would have been capped if the cap levels had remained at the pre-7 November 2016 levels or is only capped because of the introduction of the lower cap levels. For some households it is not possible to reliably determine if the household would have been capped under the previous higher levels; these households are shown as 'Unknown'. See <u>Data Table 7</u> for a full explanation of the methodology used for this analysis.

Where capped households are

The new cap levels changed the distribution of households that have their Housing Benefit capped

Capped households by Local Authority, at November 2016 and February 2018 (Housing Benefit only)

February 2018 November 2016 Key – number of capped households 0 - 44 45 - 75 76 - 119 120 - 234 235 - 2633

From 7 November 2016 cap levels were lowered, and <u>different cap levels for</u> <u>households inside and outside Greater London were introduced</u>, replacing the single cap level that existed previously.

These maps show the number of households that had their Housing Benefit (HB) capped by Local Authority (LA) before the lower caps levels were implemented (at November 2016) and at February 2018. The darker areas of the map are LAs with higher numbers of capped households, while the lighter areas are LAs with fewer capped households.

The shading of both maps is based on the same scale. This shows that the number of households that had their HB capped has increased in the majority of LAs between November 2016 and February 2018, with the lower cap levels rolled out to all LAs.

It also shows that in November 2016 LAs with the highest number of capped households were concentrated in Greater London. In February 2018 the distribution of capped households is far more evenly spread across the country. At November 2016, 40% of households that had their HB capped were in London, compared to 23% at February 2018. This reflects the current cap levels for Greater London being higher than in the rest of Great Britain.

See **Data table 3** or **Stat-Xplore** for full data.

Where you live

Find more statistics about households that have had their HB capped in your LA on our <u>interactive map</u>, which is updated on a yearly basis and includes data up to May 2017. Key statistics for a LA can be viewed by clicking the relevant area of the map.

For further information on supported browsers, please visit the following website: http://doc.arcgis.com/en/arcgis-online/reference/browsers.htm

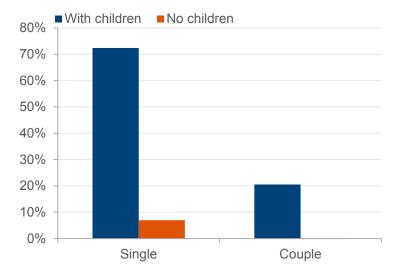
More information

The geographical region or LA reflects the LA in which the cap was applied to that household.

The family make-up of capped households

7 in 10 households that had their Housing Benefit capped are single-parent families

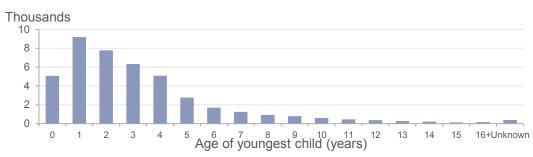
Percentage of capped households by family type, at February 2018 (Housing Benefit only)



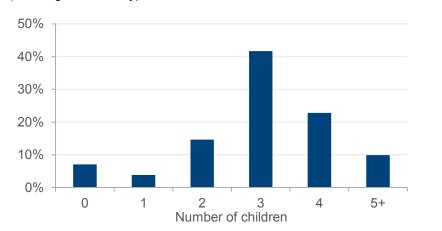
72% (44,000) of households that had their Housing Benefit capped at February 2018 are single-parent families.

77% (33,000) of single-parent capped households have at least one child aged under 5 years, including 33% (14,000) with a child aged under 2 years at February 2018.

Single-parent capped households by age of youngest child, at February 2018 (Housing Benefit only)



Most capped households include children



Percentage of capped households by number of children, at February 2018 (Housing Benefit only)

At February 2018 93% (56,000) of capped households include children; 83% (50,000) had between 1 and 4 children and 10% (5,900) had 5 or more children.

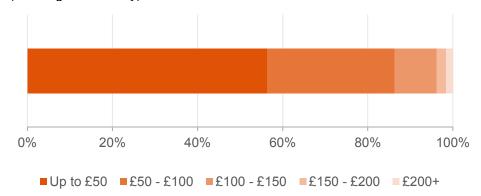
Child Benefit and Child Tax Credits are both in-scope for the Housing Benefit cap, so households in receipt of these benefits are more likely to exceed the cap limit and be capped.

See <u>Data table 2</u> or <u>Stat-Xplore</u> for full data on the family make-up of capped households. See <u>Data table 5</u> for full data on the age of youngest child by family type at February 2018. <u>Data table 8</u> includes data on the cumulative caseload by family type and age of youngest child.

The financial impact of being capped

56% of capped households have their Housing Benefit capped by £50 or less a week

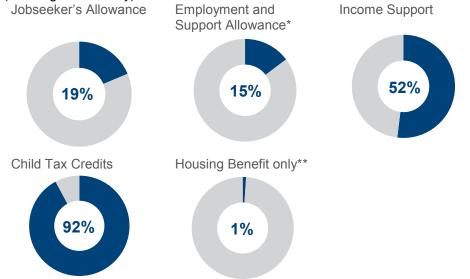
Capped households by weekly amount capped, at February 2018 (Housing Benefit only)



Capped households claim a range of benefits

Capped households by benefit take-up, at February 2018

(Housing Benefit only)



At February 2018 56% (34,000) of capped households had their Housing Benefit capped by £50 or less a week, with a further 30% (18,000) of households capped by £50 to £100 per week.

2% (950) of capped households had their Housing Benefit capped by more than £200 a week at February 2018, including 0.4% (230) capped by more than £300 a week.

From 7 November 2016 cap levels were lowered, and <u>different cap levels for</u> <u>households inside and outside Greater London were introduced</u>, replacing the single cap level that existed previously.

See Data table 2 or Stat-Xplore for full data.

At February 2018:

- 19% (11,000) of capped households were claiming Jobseeker's Allowance.
- *15% (8,900) were claiming Employment and Support Allowance (Assessment Stage and Work-Related Activity Group only).
- 52% (31,000) were claiming Income Support.
- 92% (55,000) were claiming Child Tax Credits.
- ** 1% (640) were claiming Housing Benefit only from the following benefits in-scope for the cap: Housing Benefit, Jobseeker's Allowance, Income Support, Incapacity Benefit, Employment and Support Allowance, Bereavement Allowance, Child Benefit and Child Tax Credit.

See Data table 6 for full data.

More information

Capped households can be in receipt of multiple benefits and therefore percentages for households in receipt of each benefit do not sum to 100%. More information on benefits that are in-scope for the benefit cap and those that are exempt can be found in the <u>Background Information and Methodology</u> document.

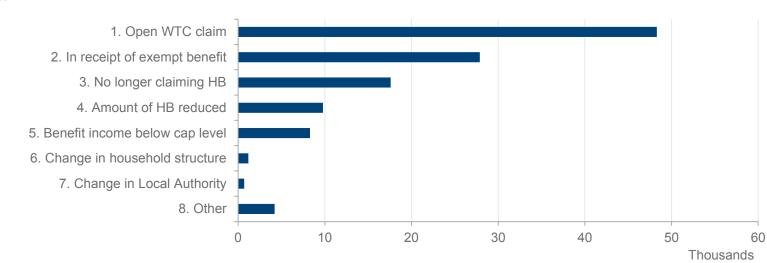
Analysis is based on benefit claims by the lead claimant in a household, and where applicable, their partner.

Moving off the cap

66% (120,000) of households that have (previously) had their Housing Benefit capped are no longer capped at February 2018. This is an increase of 11,000 households on the previous quarter (November 2017). Of the 120,000 households that no longer had their Housing Benefit capped at February 2018, 48,000 are exempt with an open Working Tax Credit (WTC) claim, indicating that they have moved into work. This is 41% of those no longer capped.

See Data table 4 or Stat-Xplore for full data.

41% of households that had their Housing Benefit capped previously have moved into work



For single parent households with a child aged under 5 years, 56% (42,000) who have (previously) had their Housing Benefit capped are no longer capped at February 2018. Of these, 46% (19,000) are exempt with an open WTC claim.

For single parent households with a child aged under 2 years, 55% (18,000) who have (previously) had their Housing Benefit capped are no longer capped at February 2018. Of these, 43% (7,500) are exempt with an open WTC claim.

See <u>Data table 8</u> for a full breakdown of the number of households with children who have (previously) been capped but are no longer capped and the number that have moved into work by age of youngest child. Further details can be found <u>here</u>.

More Information

The reason a household is no longer capped may change after a household has moved off the cap. The outcome shows this reason as at February 2018.

There may be several reasons why a household is no longer capped. These reasons are ranked (from 1 to 8, as in the chart above) and only the top-most reason that is applicable to each household is counted. More information on how the ranking was developed and is applied is in the <u>Background Information and Methodology</u> document.

Off-flows from the cap by household outcome, at February 2018

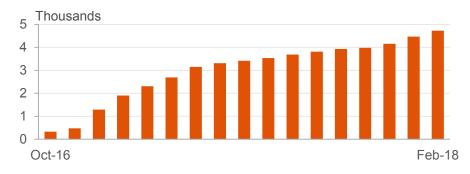
(Housing Benefit only)

Households that have their Universal Credit Capped*

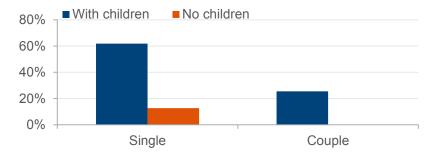
Experimental Statistics

The number of households that have their Universal Credit capped is growing, as Universal Credit is rolled-out

Capped households at each month, October 2016 to February 2018 (Universal Credit only)



Percentage of capped households by family type, at February 2018 (Universal Credit only)







4,700 households had their Universal Credit capped at February 2018, compared to 60,000 households that had their Housing Benefit capped.

Whilst the number of Universal Credit capped households is still small compared to the number of households that have had their Housing Benefit capped, it is increasing.

Universal Credit is still being rolled out across the country for different household groups, meaning that the number of households that have their Universal Credit capped will increase as the roll-out continues.

See Data table 11 for full data.

62% (2,900) of households that have their Universal Credit (UC) capped at February 2018 are single-parent families.

See Data table 9 for full data.

At February 2018 85% (4,000) of households that had their Universal Credit (UC) capped were capped by the equivalent of less than £100 a week; 63% (3,000) by £50 or less a week and 22% (1,100) by £50 to £100 a week.

See <u>Data table 9</u> for full data and more information on how weekly cap amounts were calculated for households that had their Universal Credit capped, as **Universal Credit is paid monthly not weekly**.

Unlike legacy benefits, Universal Credit is assessed and paid monthly and it is calculated based on the household circumstances. The benefit cap is applied to the full Universal Credit award not just to housing costs. Therefore **direct comparisons of cap amounts across Housing Benefit and Universal Credit cannot be made**.

* Figures for Universal Credit capped households include Universal Credit full service only. Due to data quality and reporting it is not possible to produce robust experimental statistics on the number of households capped under Universal Credit live service. Full service is available to all claimant types but only in certain areas of the country at present.

About these statistics

Experimental Statistics on households that had their Universal Credit capped

This release is the first to contain experimental statistics on the number of households that have had their Universal Credit capped, alongside the regular quarterly Housing Benefit cap statistics.

Universal Credit was introduced in 2013 and is now available for all new claims from single jobseekers wherever they are in Great Britain. The expansion of Universal Credit to the full range of claimants was started in May 2016, and rollout will be completed in 2018. By 2022, all existing legacy claimants will have moved on to Universal Credit. Because Universal Credit is still being rolled out across the country for different household groups, the number of households capped under Universal Credit is still small in comparison to the number of households that have had their Housing Benefit capped.

Figures for Universal Credit capped households include Universal Credit full service only. Due to data quality and reporting it is not possible to produce robust experimental statistics on the number of households capped under Universal Credit live service. Full service is available to all claimant types but only in certain areas of the country at present.

As set out in the <u>Universal Credit statistics consultation response</u>, we will develop further breakdowns of the characteristics of capped households, a cumulative caseload and off-flows from the Universal Credit cap, including movements into work, for future publications.

Data sources

Housing Benefit Data

The main source of data on households that had their Housing Benefit capped is the Single Housing Benefit Extract (SHBE). SHBE is a monthly electronic scan of claimant level data direct from Local Authority computer systems. SHBE includes a field that contains the weekly amount that the Housing Benefit of a household has been capped by. This marker is central to the production of the statistics on households that had their Housing Benefit capped.

The age of the youngest child dependant in a household is calculated by merging data held on HMRC child benefit systems to Housing Benefit data on capped households. DWP benefits data is merged with Housing Benefit data on capped households to give information on the types of benefits claimed by capped households.

Data on those households who have (previously) had their Housing Benefit capped that are no longer capped is linked to Her Majesty's Revenue and Customs (HMRC) and DWP benefits data to determine why households are no longer capped.

• Universal Credit Data

Data on households that have had their Universal Credit capped is taken from the DWP Universal Credit Official Statistics database, which is compiled using data from systems within local offices and records of Universal Credit benefit payments made by the Department. This database includes a field that contains the amount of Universal Credit that a household has been capped by for an assessment period. This marker is used in the production of statistics on households that had their Universal Credit capped.

This database only contains information for households that have had their Universal Credit full service capped. Due to data quality and reporting it is not possible to produce robust experimental statistics on the number of households capped under Universal Credit live service.

Data on households that had their Universal Credit capped is merged with the DWP Customer Information Service address file so that the number of capped households can be broken down by region and Local Authority.

Data coverage and reporting month

Local Authorities (LAs) extract and return their Housing Benefit data to DWP over a four week rolling period based on an extraction schedule for each LA. For example, the latest "February 2018" data shown here has typically been extracted between 29 January and 22 February 2018. Each LA may extract their data up to a week before the date it is scheduled to be returned to DWP. Consequently, the statistics do not directly relate to a particular date but rather show the position of capped cases over a monthly cycle.

To be counted as being on Universal Credit a household must have an assessment period spanning the 'count date' for a particular month. An assessment period is the period of a month for which a Universal Credit payment is made. The count date is the second Thursday of the month. Entitlement to Universal Credit must also have been calculated.

Definition of a household

For the purposes of the benefit cap policy and hence this analysis, a household is defined as "one or two adults (living together as a couple) plus any dependent children they are living with." This may also be termed a 'benefit unit'. This differs from the Office for National Statistics (ONS) who define a household as one person alone; or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area. A household by the ONS definition may contain multiple benefit units.

There are a small number of cases where an individual / household has more than one Housing Benefit claim, for these cases, only the most recent claim is reported on.

Changes to the benefit cap amounts from 7 November 2016

The cap amounts and the benefits that are affected by the cap changed from 7 November 2016.

The Summer Budget 2015 announced changes to the level of the benefit cap to £20,000 a year (£13,400 for single adults with no children) nationally or £23,000 a year (£15,410 for single adults with no children) in Greater London (the 32 London boroughs and the City of London).

The changes in cap levels were rolled-out across Local Authorities (LAs) from 7 November 2016 to 20 January 2017. From March 2017 data for all LAs reflects the lower cap levels.

Benefit Cap Judicial Reviews

DWP produced statistics on the number of households with children who have (previously) had their Housing Benefit capped but are no longer capped and the number of these that have moved into work, with a full breakdown by age of youngest child, to inform Judicial Reviews in relation to the benefit cap, initially heard in the High Court in May 2017. These statistics, at November 2016 and February 2017, were included in the tables published in the May 2017 statistical release (see <u>Data tables 8 and 9</u>). Updated figures, at February 2018, are included in the tables published as part of this statistical release, in <u>Data table 8</u>.

The claimants in the Judicial Review challenged the application of the benefit cap to two particular groups – lone parents of children under two and their dependent children aged under 2, on the grounds that it unlawfully discriminates against them. In the judgement, which was handed down on 22 June 2017, the Judge ruled against the Government but this ruling has been appealed. The Court of Appeal hearing was heard on 24 and 25 October 2017 and the Court has now found in the Government's favour, that the benefit cap legislation is lawful in its application to lone parents with children under 2. This case is listed for a further hearing at the Supreme Court in July 2018.

Where to find out more

This document and summary tables can be found here: https://stat-xplore.dwp.gov.uk/ Use Stat-Xplore to create your own tables and further breakdowns of these statistics: https://stat-xplore.dwp.gov.uk/ View national and regional figures in our interactive visualisation: https://bcapdash.herokuapp.com/ View figures for Local Authorities in our interactive map: https://dwp-stats.maps.arcgis.com/apps/Viewer/index.html?appid=9cfbe6a929db475587f8829cbc4bf1e5 Older releases can be found here: https://www.gov.uk/government/collections/benefit-cap-statistics Background Information for the statistics can be found here: https://www.gov.uk/government/publications/benefit-cap-statistics-
Statistics on Housing Benefit caseload can be found here: https://www.gov.uk/government/statistics/housing-benefit-caseload-statistics
Statistics on Universal Credit can be found here: https://www.gov.uk/government/collections/universal-credit-statistics
Statistics on Local Authorities' use of Discretionary Housing Payment funds can be found here: https://www.gov.uk/government/collections/discretionary-housing-payments-statistics
More information on the benefit cap can be found here: https://www.gov.uk/benefit-cap/overview

Contact us

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