



# Households with capped benefits, February 2017

Key findings for the Lancashire-14 area

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## 1. Overview

In April 2013, the government introduced a limit on the total amount of benefit that most people aged 16 to 64 can receive. This is called the [benefit cap](#). This means that in general, households, in which at least one person is in receipt of a working age benefit, no longer receive more in welfare payments than the average weekly wage for working households.

Lower benefit cap levels came into effect from 7 November 2016. Different capping levels are now applied for those people who live inside Greater London and those persons who live [outside Greater London](#). These replaced the single cap level that existed previously.

At the time of writing (May 2017), for persons who live outside of Greater London, the benefit cap levels are:

- £384.62 per week (£20,000 a year) for couples, whose children live with them, or do not live with them
- £384.62 per week (£20,000 a year) for a single person with children who live with that person
- £257.69 per week (£13,400 a year) for a single person who does not have children, or who has children but who not live with that person.

The new benefit cap levels were applied to all households that were already capped on 7 November and rolled-out to newly affected households from 7 November 2016 to 20 January 2017. The lower cap levels have increased the number of households in scope for the benefit cap. This has resulted in a sharp rise in the number households with capped benefits over the last quarter.

This report details statistics for households with capped benefits for February 2017 published by the Department for Work and Pensions (DWP) and yearly, quarterly and monthly changes. The focus is on the figures for the local authorities in the Lancashire-14 area and Great Britain (GB), and the quarterly change.

## 2. Key findings

### 2.1 Households with capped benefits in Great Britain

The following bullet points refer to figures for Great Britain as a whole for February 2017.

- 66,135 households in GB had their Housing Benefit capped at February 2017. This is an increase of 46,000 households on the previous quarter (November 2016).

- 134,000 households in GB have had their benefits capped between 15 April 2013, when the benefit cap was introduced, and February 2017
- 68,000 households in GB no longer capped at February 2017
- 51.0% of capped households in GB were capped by £50 or more a week.
- 83.0% (55,000) of capped households included between 1 and 4 children and 10% (6,800) had 5 or more children. 93.0% (61,800) of capped households therefore included children.
- 72.0% (48,000) of capped households in GB constituted a single parent with child dependents.
- 79.0% (38,000) of single-parent capped households have at least one child aged under 5 years, including 15.0% (7,200) with a child aged under 1 year at February 2017.

## **2.2 Households with capped benefits in the Lancashire-14 area**

As at February 2017, 1,124 households in the Lancashire-14 area, and 726 households in the Lancashire-12 area had their benefits capped.

Blackpool (250) had the highest number of households with capped benefits in the Lancashire-14 area in February 2017, followed by Blackburn with Darwen (148), Preston (133), Lancaster (85), Hyndburn (82) and Burnley (79 households).

In contrast, Fylde (26) and Ribble Valley (9) had the lowest number of households with capped benefits in the Lancashire-14 area.

## **2.3 Quarterly change in the number of households with capped benefits**

Over the last quarter, the number of households with capped benefits increased sharply in Great Britain, rising by 46,039 (229.1%), more than tripling from 20,096 households in November 2016, to 66,135 households in February 2017. This is owing to the implementation of the lower benefit cap levels from 7 November 2016.

In the Lancashire-14 area, the number of households with capped benefits more than quadrupled over the previous quarter, rising by 868 households (339.1%), from 256 households in November 2016, to 1,124 households in February 2017.

In the Lancashire-12 area, the number of capped households increased almost five-fold, rising by 580 households (397.3%) over the quarter, from 146 households in November 2016, to 726 households February 2017.

Within the Lancashire-14 area, Blackpool (187 households, 296.8%), Preston (102 households, 329.0%), Blackburn with Darwen (101 households, 214.9%), Lancaster

(72 households, 553.8%) and Hyndburn (67 households, 446.7%) saw the largest increases in the number of households with capped benefits between November 2016 and February 2017.

In terms of percentage increases, capped households rose the most in Wyre (600.0%, 60 households) within the Lancashire-14 area, increasing seven-fold over the quarter, and in Lancaster (553.8%, 72 households) and Rossendale (514.3%, 36 households), which both saw numbers rise more than six fold.

West Lancashire (29 households, 181.3%) recorded the smallest numeric and percentage increases over the quarter in the Lancashire-14 area.

The number of capped households in Fylde and Ribble Valley for November 2016 have been randomly adjusted to avoid the release of confidential data. Numeric and percentage changes are therefore not able to be calculated over the previous quarter. Fylde (26) and Ribble Valley (9) had the lowest number of households with capped benefits in the Lancashire-14 area in February 2017.

## 3. Background information

### 3.1 Introduction of the benefit cap

The government introduced a limit on the total amount of benefit that most people aged 16 to 64 can receive. This is called the [benefit cap](#). This means that, in general, households in which at least one person is in receipt of a working age benefit no longer receives more in welfare payments than the average weekly wage for working households.

The [benefit cap](#) was introduced from 15 April 2013 in selected London boroughs, with all other local authorities applying the cap between 15 July 2013 and the end of September 2013. The initial benefit cap levels were £500.00 per week (£26,000 a year) for couples or persons with children and £350.00 per week (£18,200 a year) for single adults with no children.

### 3.2 New benefit cap levels from November 2016

Lower benefit cap levels came into effect from 7 November 2016. Different capping levels are now applied for those people who live inside Greater London and those persons who live [outside Greater London](#). These replaced the single cap level that existed previously.

At the time of writing (May 2017), for persons who live outside of Greater London, the benefit cap levels are:

- £384.62 per week (£20,000 a year) for couples, whose children live with them, or do not live with them

- £384.62 per week (£20,000 a year) for a single person with children who live with that person
- £257.69 per week (£13,400 a year) for a single person who does not have children, or who has children but who do not live with that person.

The new benefit cap levels were applied to all households that were already capped on 7 November and rolled-out to newly affected households from 7 November 2016 to 20 January 2017. The lower cap levels have increased the number of households in scope for the benefit cap. This has resulted in a sharp rise in the number households with capped benefits over the last quarter.

Further information

### 3.3 In scope benefits

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 and Child Tax Credit;
- other benefits such as Incapacity Benefit and Bereavement Allowance.

### 3.4 Exemptions from the benefit cap

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.

Households in receipt of Carer's Allowance or Guardian's Allowance became exempt from the benefit cap on 7 November 2016. This was announced in Parliament during the passage of the Welfare Reform and Work Act 2016.

More information about the benefit cap, in scope benefits and exemptions from the benefit cap can be found on the Gov.uk [benefit cap](#) web page.

### 3.5 Administration of the benefit cap and Universal Credit

For most capped households the benefit cap is administered through Housing Benefit (HB), with a household's HB entitlement being reduced so that the total amount of benefit received is no longer higher than the cap level.

At present, statistics released by the DWP only include households that have had their Housing Benefit capped. The benefit cap can also be applied through Universal Credit (UC). UC is still being rolled out across the country and for different household groups, meaning that the number of households who may have had their UC capped is estimated to be small. The DWP is exploring the feasibility of publishing new experimental statistics on the number of households capped under both UC Live Service and UC Full Service roll-out. Presently, the data sources are not sufficiently robust to support publication of statistics but further work is underway to develop and quality-assure statistics on UC capped households.

### **3.6 Definition of a household**

For the purposes of the benefit cap policy, a household is defined as “one or two adults (living together as a couple) plus any dependant 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.

### **3.7 Data collation**

The main source of benefit cap data 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 this analysis.

Data on those households who have (previously) been 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.

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.

### **3.8 Data coverage and reporting month**

Each Local Authority has a schedule to extract and return their data to DWP over a four week rolling period, which does not necessarily correspond to a calendar month. For example, the latest “February 2017” data has typically been extracted between 23 January and 16 February 2017. Each Local Authority 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.

### 3.9 Data sources

Benefit cap data is published by the Department for Work and Pensions and is available to download from the Gov.uk [benefit cap statistics](#) web page. The figures in this report for [February 2017](#) and the associated DWP summary document can be downloaded from the linked Gov.uk web page.

Additional summary information is available on the Gov.uk [benefit cap](#) web pages.

Detailed [background information and methodology](#) is also available via the Gov.uk website.

## 4. Description of the geographies used in this report.

The Lancashire-12 area is comprised of the 12 local authorities that fall within the Lancashire County Council administrative boundary. The Lancashire-14 area incorporates the two additional unitary authorities of [Blackburn with Darwen](#) and [Blackpool](#) and has the same geographic footprint as the [Lancashire Local Enterprise Partnership](#) (LEP) area.

The 12 local authorities within the LCC boundary are [Burnley Borough Council](#), [Chorley Borough Council](#), [Fylde Borough Council](#), [Hyndburn Borough Council](#), [Lancaster City Council](#), [Pendle Borough Council](#), [Preston City Council](#), [Ribble Valley Borough Council](#), [Rossendale Borough Council](#), [South Ribble Borough Council](#), [West Lancashire Borough Council](#) and [Wyre Borough Council](#).

## 5. Analysis of households with capped benefits data

### 5.1 Key findings for households with benefits capped in Great Britain

In February 2017, of the 66,135 households that had their Housing Benefit capped across Great Britain, 5,883 households (8.9%) were in the North West region.

Households may flow on and off the benefit cap on more than one occasion as circumstances change. The following bullet points refer to figures for Great Britain as a whole for February 2017.

- 66,135 households had their Housing Benefit capped at February 2017. This is an increase of 46,000 households on the previous quarter (November 2016).

- 134,000 households have had their benefits capped between 15 April 2013, when the benefit cap was introduced, and February 2017
- 68,000 households no longer capped at February 2017
- 51.0% of capped households were capped by £50 or more a week.
- 83.0% (55,000) of capped households included between 1 and 4 children and 10% (6,800) had 5 or more children. 93.0% (61,800) of capped households therefore included children.
- 72.0% (48,000) of capped households constituted a single parent with child dependents.
- 79.0% (38,000) of single-parent capped households have at least one child aged under 5 years, including 15.0% (7,200) with a child aged under 1 year at February 2017.

## 5.2 Households with capped benefits in the Lancashire-14 area

Table 1 shows that 1,124 households in the Lancashire-14 area, and 726 households in the Lancashire-12 area had their benefits capped as at February 2017.

**Table 1: Households with capped benefits, quarterly data (points in time) - February 2016 to February 2017**

Area	Households with capped benefits – February 2016	Households with capped benefits – May 2016	Households with capped benefits – August 2016	Households with capped benefits - November 2016	Households with capped benefits – February 2017
Burnley	18	20	18	20	79
Chorley	8	8	7	12	52
Fylde	..	..	..	..	26
Hyndburn	20	24	22	15	82
Lancaster	16	15	19	13	85
Pendle	15	10	13	12	57
Preston	28	31	39	31	133
Ribble Valley	..	..	..	..	9
Rosendale	7	6	6	7	43
South Ribble	8	12	9	10	45
West Lancashire	12	14	17	16	45
Wyre	18	17	15	10	70
<b>Lancashire-12</b>	<b>150</b>	<b>157</b>	<b>165</b>	<b>146</b>	<b>726</b>
Blackburn with Darwen	48	50	48	47	148
Blackpool	66	61	57	63	250
<b>Lancashire-14</b>	<b>264</b>	<b>268</b>	<b>270</b>	<b>256</b>	<b>1,124</b>
<b>North West</b>	<b>1,437</b>	<b>1,456</b>	<b>1,439</b>	<b>1,323</b>	<b>5,883</b>
<b>Great Britain</b>	<b>20,189</b>	<b>20,124</b>	<b>20,041</b>	<b>20,096</b>	<b>66,135</b>

Note: [1] '..' Numbers have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

Source: Department for Work and Pensions, [benefit cap statistics](#).

Blackpool (250) had the highest number of households with capped benefits in the Lancashire-14 area in February 2017, followed by Blackburn with Darwen (148 households), Preston (133), Lancaster (85), Hyndburn (82) and Burnley (79 households).

In contrast, Fylde (26) and Ribble Valley (9) had the lowest number of households with capped benefits in the Lancashire-14 area. The figures for the remaining local authorities within the Lancashire-14 area are contained alongside the GB and North West figures in table 1 below.

### 5.3 The number of households with capped benefits prior to 7 November 2016

Following the roll out of the benefit cap in Great Britain between April 2013 and September 2013, the number of households with capped benefits peaked initially in GB at 28,434 households in December 2013. Numbers then declined over the following year before averaging just under 23,000 per month between December 2014 and October 2015, and then to just over 20,000 per month between November 2015 and November 2016, just prior to the lowering of the benefit cap.

For the Lancashire-14 area, the number of households with capped benefits initially peaked at 368 in March 2014, then averaged 325 households per month between April 2014 and September 2015, and then 267 households per month between October 2015 and November 2016.

In the Lancashire-12 area, the number of households with capped benefits initially peaked 213 households in February 2014. The number then averaged 198 households with capped benefits per month between March 2014 and March 2015, and then 158 households per month between April 2015 and November 2016.

Within the Lancashire-14 area, the initial peaks for the number of households with capped benefits was spread over a much greater period of time at the local authority level, ranging from November 2013, for Chorley, to October 2015, for Rossendale. The initial peaks within the Lancashire-14 area ranged between 91 households in Blackpool with capped benefits (in March 2014), to 6 households with capped benefits in Ribble Valley (in February 2015).

### 5.4 Quarterly change in the number of households with capped benefits

Over the last quarter, the number of households with capped benefits increased sharply in Great Britain, rising by 46,039 (229.1%), more than tripling from 20,096 households in November 2016, to 66,135 households in February 2017. This is owing to the implementation of the lower benefit cap levels from 7 November 2016.

## Households with benefits capped, February 2017

In the Lancashire-14 area, the number of households with capped benefits more than quadrupled over the previous quarter, rising by 868 households (339.1%), from 256 households in November 2016, to 1,124 households in February 2017.

In the Lancashire-12 area, the number of capped households increased almost five-fold, rising by 580 households (397.3%) over the quarter, from 146 households in November 2016, to 726 households February 2017.

**Table 2: Households with capped benefits, yearly, quarterly and monthly changes, to February 2017**

Area	Yearly change in number of households with capped benefits – February 2016 to February 2017	% yearly change in number of households with capped benefits – February 2016 to February 2017	Quarterly change in number of households with capped benefits – November 2016 to February 2017	% quarterly change in number of households with capped benefits – November 2016 to February 2017	Monthly change in number of households with capped benefits – January 2017 to February 2017	% monthly change in number of households with capped benefits – January 2017 to February 2017
Burnley	61	338.9%	59	295.0%	-5	-6.0%
Chorley	44	550.0%	40	333.3%	14	36.8%
Fylde	*	*	*	*	-4	-13.3%
Hyndburn	62	310.0%	67	446.7%	-6	-6.8%
Lancaster	69	431.3%	72	553.8%	9	11.8%
Pendle	42	280.0%	45	375.0%	-4	-6.6%
Preston	105	375.0%	102	329.0%	32	31.7%
Ribble Valley	*	*	*	*	-2	-18.2%
Rosendale	36	514.3%	36	514.3%	0	0.0%
South Ribble	37	462.5%	35	350.0%	8	21.6%
West Lancashire	33	275.0%	29	181.3%	16	55.2%
Wyre	52	288.9%	60	600.0%	-9	-11.4%
Lancashire-12	576	384.0%	580	397.3%	49	7.2%
Blackburn with Darwen	100	208.3%	101	214.9%	61	70.1%
Blackpool	184	278.8%	187	296.8%	22	9.6%
Lancashire-14	860	325.8%	868	339.1%	132	13.3%
North West	4,446	309.4%	4,560	344.7%	1,991	51.2%
Great Britain	45,946	227.6%	46,039	229.1%	15,128	29.7%

Note: \* Numbers not available, owing to 0 return, or suppression of confidential data in the base year. Numbers have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

Source: Department for Work and Pensions, [benefit cap statistics](#).

Within the Lancashire-14 area, Blackpool (187 households, 296.8%), Preston (102 households, 329.0%), Blackburn with Darwen (101 households, 214.9%), Lancaster (72 households, 553.8%) and Hyndburn (67 households, 446.7%) saw the largest

increases in the number of households with capped benefits between November 2016 and February 2017.

In terms of percentage increases, capped households rose the most in Wyre (600.0%, 60 households) within the Lancashire-14 area, increasing seven-fold over the quarter, and in Lancaster (553.8%, 72 households) and Rossendale (514.3%, 36 households), which both saw numbers rise more than six fold.

West Lancashire (29 households, 181.3%) recorded the smallest numeric and percentage increases over the quarter in the Lancashire-14 area.

The number of capped households in Fylde and Ribble Valley for February 2016 and November 2016 have been randomly adjusted to avoid the release of confidential data. Numeric and percentage changes are therefore not able to be calculated over these periods. Fylde (26) and Ribble Valley (9) had the lowest number of households with capped benefits in the Lancashire-14 area in February 2017.

Prior to the implementation of the lower benefit cap levels on 7 November 2016, the number of households with capped benefits were fairly stable across many geographies and the yearly change statistics are therefore similar to the quarterly change figures. These can be compared in table 2.