Income Related Benefits Estimates of Take-Up in 2006-07

DWP Department for Work and Pensions

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Introduction

Background

This publication contains information on the take-up of the main income-related benefits in Great Britain for the financial year 2006-07: Income Support, Pension Credit, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (Income-Based). Figures for the financial year 2005-06 are re-presented in this publication alongside new figures. The last edition covered take-up in 2005-06 and 2004-05 and was published in September 2007[1].

Estimates for 2004-05 and 2005-06 were published in two parts, with results for Pension Credit published earlier and separately from the remaining benefits. This was done so that Pension Credit results were published in a timelier manner, and in an effort to improve the overall timeliness of the series. This edition covering 2006-07 marks the end of that work, the result of which is that the series is now being published earlier than before, and means that all results will be published at the same time from this publication onwards.

Figures in this publication are based upon DWP and Local Authority administrative data and data from the Family Resources Survey (FRS) 2006-07[2]. The FRS is a continuous survey of around 26,000 UK households (24,000 households in Great Britain), which asks a wide range of questions about their familial, social and economic circumstances.

Take-up is measured in two ways: by expenditure and by caseload. Caseload take-up compares the number of benefit recipients – averaged over the year – with the number who would be receiving if everyone took up their entitlement for the full period of their entitlement. Expenditure take-up compares the total amount of benefit received, in the course of a year, with the total amount that would be received if everyone took up their entitlement for the full period of their entitlement.

Take-up estimates are presented as ranges within which it can be assumed true take-up lies. These 'ranges of true take-up' account for possible biases inherent in estimates from data that are less than perfect. These ranges also account for the effects of sampling variation (otherwise known as sampling error).

Where sample sizes and data sources allow, take-up statistics are broken down to enable comparisons by gender. In practice, we can provide analysis by gender only for Income Support, Pension Credit and Jobseeker's Allowance (Income-Based). For Council Tax Benefit and Housing Benefit, a gender breakdown of take-up rates has not been possible.

Care should be taken when interpreting take-up statistics. In particular, an upper limit of, say, 90 per cent to the caseload take-up range does not necessarily mean that at least ten per cent never take up their entitlement. This is because some of the shortfall in take-up may represent a delay in claiming benefit that is eventually received. Further information is presented on the characteristics of those non-recipients of the benefits who are apparently entitled and some of the reasons for non-take-up are explored. These results help to explain some aspects of the figures.

[1] *Income Related Benefits Estimates of Take-Up in 2005-06*, (2007) DWP
[2] *Family Resources Survey 2006-07,* (2008) DWP

Based on estimates published in previous reports, patterns in caseload take-up since 1997-98 are also explored in this edition (with the exception of Pension Credit, which was introduced half way through 2003-04; instead, changes between 2003-04 and 2006-07 only are investigated). The reader should be wary of interpreting changes over time. Year-to-year changes in the ranges do not necessarily indicate that the level of true take-up has changed, since the range in one year usually overlaps with the range in the next. The methodology used to determine the direction and extent of take-up has been changed to make it more consistent, and gives a more accurate reflection of the level of change. As a result, the changes may differ from conclusions given in previous publications. Guidance on the interpretation of differences between 2003-04 and 2006-07 for Pension Credit, and between 1997-98 and 2006-07 for the other benefits, has been included in the text that accompanies the results.

Child Tax Credit (CTC) was introduced in April 2003 and is paid to eligible families with children. In due course child premia paid through Income Support and Jobseeker's Allowance will be fully replaced by the CTC. From 2004-05 onwards, any new Income Support and Jobseeker's Allowance recipients started to receive CTC from Her Majesty's Revenue and Customs instead of the child premia through their benefit. Therefore in our modelling of entitlement in 2006-07, we have taken this migration into consideration and the subsequent results presented in this publication are based both on the existing benefit rules and on the new benefit rules whereby child premia are not assigned when modelling entitlement. Our modelling of child premia makes use of whether a benefit unit has reported receipt of CTC. There is a mismatch between the number of CTC recipients on the FRS when compared to administrative data, which may be a source of bias in the results for Income Support and Jobseeker's Allowance.

National Statistics Quality Review

In the summer of 2003, DWP launched a National Statistics Quality Review of statistics on the take-up of income-related benefits, aimed at establishing whether the report continues to meet the needs of users. It considered user needs along with priorities for the development of the series. The conclusions of the review were published in October 2006 and can be found at: http://www.dwp.gov.uk/asd/irb.asp

Contact Points

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If you have any comments or questions regarding this or previous editions, please contact Ed Smithson, by telephone, on 020 7962 8222.

Online Access

This report is available on the internet at: http://www.dwp.gov.uk/asd/irb.asp. PDF versions of each chapter are available to download, along with Microsoft Excel versions of the tables in each chapter.

Structure of the report

This publication is divided into five main chapters, a description of the methodology and a technical appendix.

Chapters 1–5 provide the full results covering caseload and expenditure take-up of all income-related benefits. Each chapter begins with a summary of key results, brief description of the benefit, a guide to the tables presented and any particularly important technical considerations where appropriate. The tabulated results plus commentary is followed by an analysis of the characteristics of those entitled to but not receiving benefits. The chapter is rounded off with a section on trends in take-up over time. Chapter 6 provides an overview of the methodology (including changes since the last edition) and the data sources used. The Appendix describes in more detail how ranges of true take-up have been calculated in this publication.

As with previous publications, estimates of take-up only cover people in private households, since the Family Resources Survey (FRS) includes only those people residing in private households. In practice this means these take-up estimates omit people living in Residential Care or Nursing Homes and some other, mostly small, groups. In addition, because the FRS does not contain sufficient information on the incomes of the self-employed to allow reliable assessment of benefit entitlement, the estimates also exclude the full-time self-employed.

A quick guide to the published tables

There are two basic types of table presented in this publication – one that contains statistics related to the caseload measure of take-up and a second that contains statistics related to the expenditure measure. The following illustrations are intended as a guide to interpreting the tables.

Illustration 1: Understanding tables presenting caseload take-up statistics

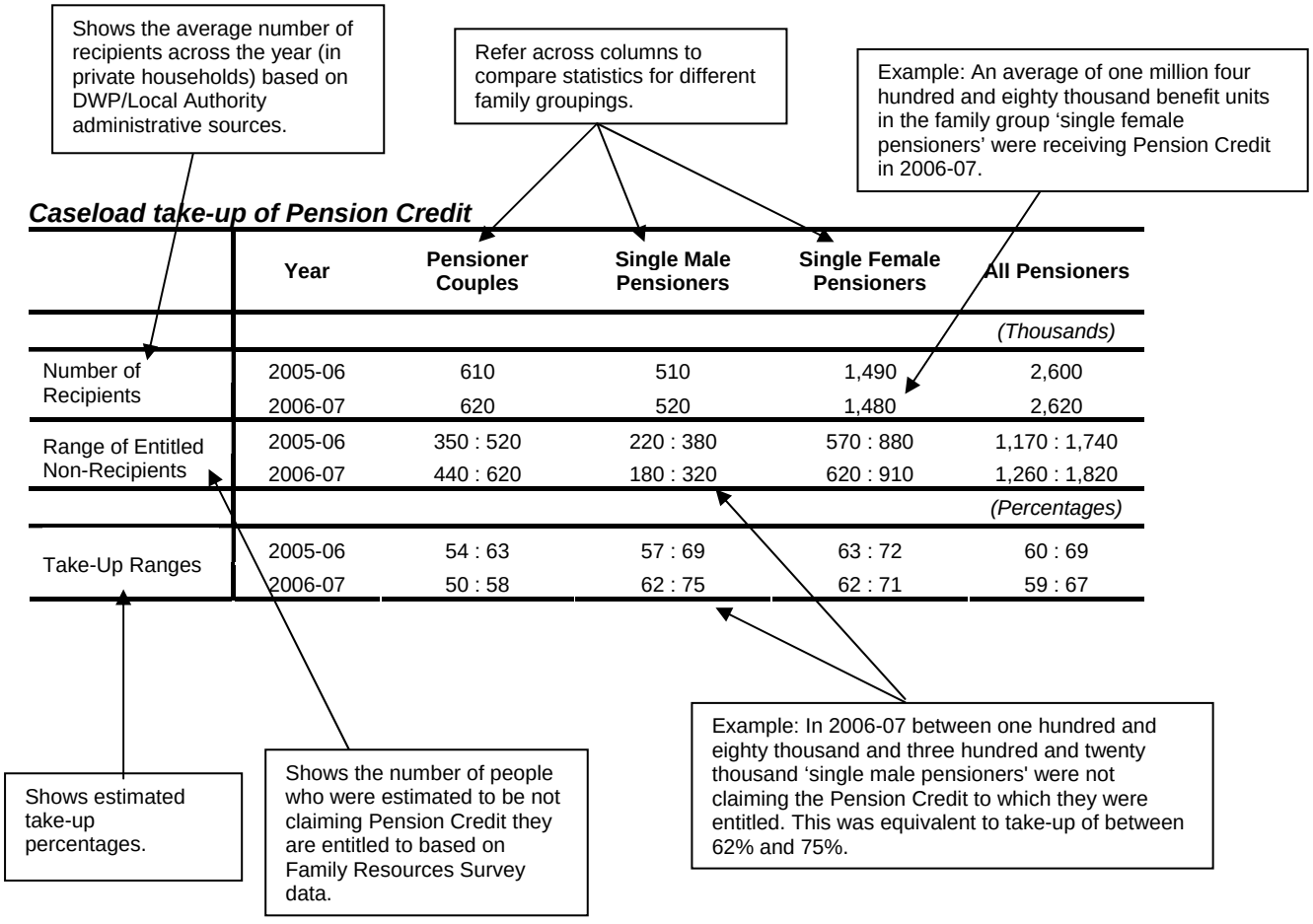
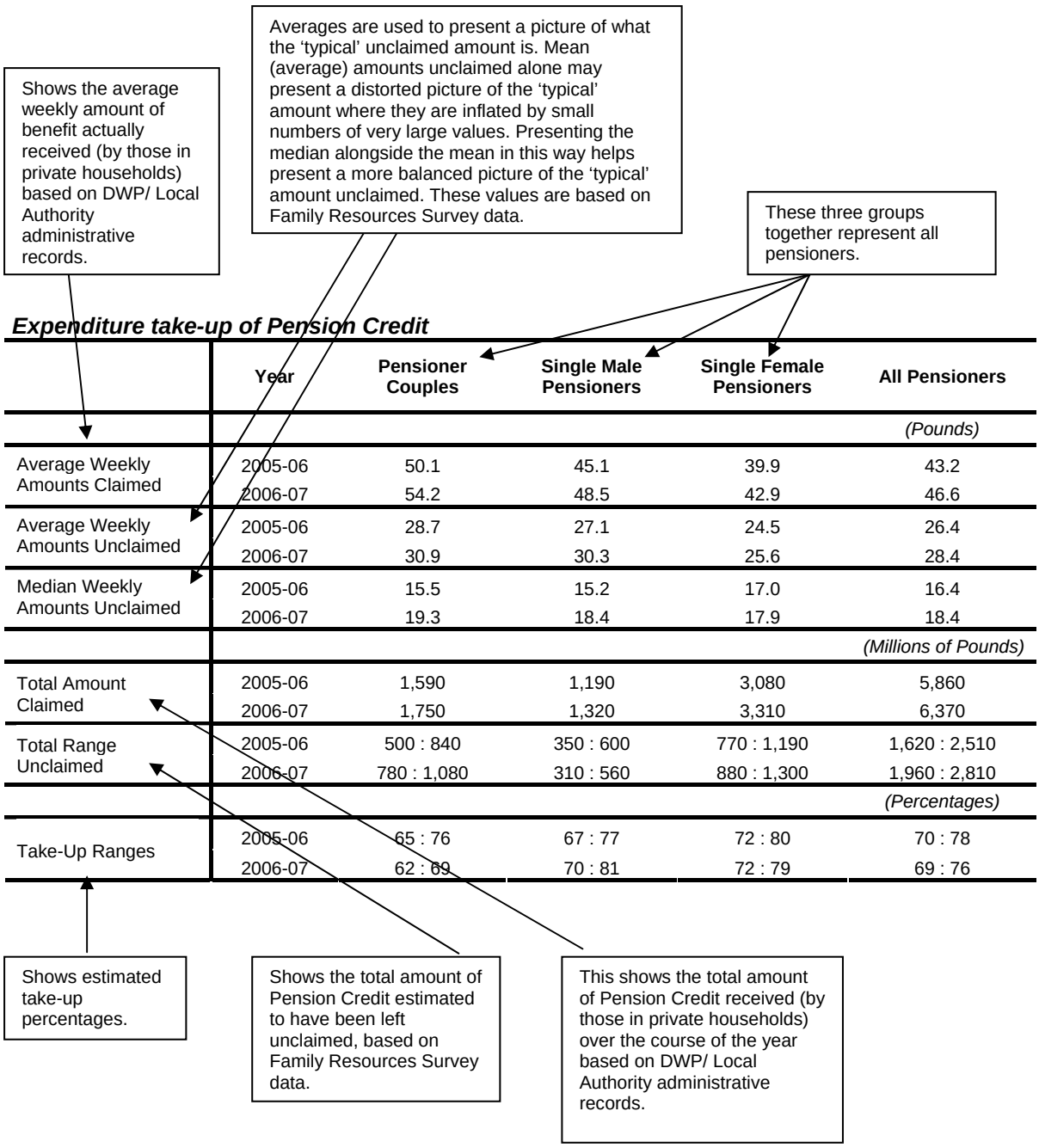


Illustration 2: Understanding tables presenting expenditure take-up statistics



Expenditure take-up of Pension Credit

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Pounds)
Average Weekly Amounts Claimed	2005-06	50.1	45.1	39.9	43.2
	2006-07	54.2	48.5	42.9	46.6
Average Weekly Amounts Unclaimed	2005-06	28.7	27.1	24.5	26.4
	2006-07	30.9	30.3	25.6	28.4
Median Weekly Amounts Unclaimed	2005-06	15.5	15.2	17.0	16.4
	2006-07	19.3	18.4	17.9	18.4
					(Millions of Pounds)
Total Amount Claimed	2005-06	1,590	1,190	3,080	5,860
	2006-07	1,750	1,320	3,310	6,370
Total Range Unclaimed	2005-06	500 : 840	350 : 600	770 : 1,190	1,620 : 2,510
	2006-07	780 : 1,080	310 : 560	880 : 1,300	1,960 : 2,810
					(Percentages)
Take-Up Ranges	2005-06	65 : 76	67 : 77	72 : 80	70 : 78
	2006-07	62 : 69	70 : 81	72 : 79	69 : 76

Glossary / Notes on definitions

Average

In this publication 'average' is used interchangeably with the word **mean**.

Backdated claim

This is a claim whereby payment is received as a lump sum which covers the period up to 12 months prior to when the pensioner made the claim, providing they were eligible. For example, a pensioner making a claim on 5 October 2006 could receive payment for the period back to 6 October 2005, provided they were eligible for that period. Backdated claims are paid to pensioners in respect of Pension Credit, Housing Benefit and Council Tax Benefit.

Benefit unit

A single adult or a couple living as married and any dependent children (as defined under **child**). A pensioner living in the same household as his or her grown-up child, for example, is a separate benefit unit from the child and would be assessed separately for Pension Credit entitlement. From January 2006 same-sex partners (civil partners and cohabitees) are included in the same benefit unit.

Child

A dependent child is defined as an individual aged under 16. A person will also be defined as a child if they are 16 to 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 in unwaged government training.

Confidence interval

A measure of **sampling error**. A 95 per cent confidence interval for an estimate is the range that will – if sampling error is the only source of error – contain the 'true' figure on average 95 times out of 100. Note that in practice there are also other sources of non-sampling error in the survey and analysis processes.

Couple

Two adults, of same or different sex, who are married (spouse), or in a civil partnership (partner), or are assumed to be living together as such (cohabitee).

Disability, including limiting long standing illness

Disability is defined as having any long-standing illness, disability or infirmity that leads to a significant difficulty with one or more areas of the individual's life. Everyone classified as disabled under this definition would also be classified as disabled under the Disability Discrimination Act (DDA). However, some individuals classified as disabled under the DDA would not be captured by this definition.

Entitled

A benefit unit is said to be entitled to receive a benefit if they satisfy the qualifying conditions for that benefit.

Entitled Non-Recipient (ENR)

A benefit unit that is modelled to be entitled to a benefit but is not receiving it.

Entitlement

Entitlement is the amount of money an entitled benefit unit should receive in benefit.

Grossing up

The sample of FRS respondents is grossed up to represent the whole private household population. Different grossing factors are applied to different types of households in order to correct for over- and under-representation of these household types in the FRS.

Mean

The mean amount claimed or unclaimed is the **average**, found by adding up the amount for each benefit unit in a population and dividing the result by the grossed up number of benefit units.

Median

The median unclaimed amount is the value that divides the population of Entitled Non-Recipients, when ranked by their modelled entitlements, into two equal-sized groups. In other words, the median is the exact middle point where half the Entitled Non-Recipients have larger unclaimed amounts and half have smaller unclaimed amounts.

Modelled as entitled/modelling entitlement

An assessment of entitlement to each of the income-related benefits is made for each benefit unit on the Family Resources Survey. On the basis of this assessment, benefit units are then classified as Entitled Non-Recipients (ENRs), Entitled Recipients (ERs), Non-Entitled Non-Recipients (NENRs), or Non-Entitled Recipients (NERs). Those benefit units classified as Entitled Non-Recipients and Entitled Recipients have been “modelled as entitled”.

- **Over-modelled**

  Modelled entitlement for a benefit unit is greater than the amount of benefit they report receiving in response to the Family Resources Survey.

- **Under-modelled**

  Modelled entitlement for a benefit unit is less than the amount of benefit they report receiving in response to the Family Resources Survey.

Owner occupier

This category includes those people who own their housing outright or own with a mortgage, including those people who part-rent and part-own their accommodation.

Pensioner

Pensioners are either single people aged at least 60 or, if a couple, both will be termed pensioners if one is aged at least 60 years old. This definition ties in with qualification conditions for the pensioner premium for the various benefits and for Pension Credit.

Private renters

This includes people privately renting furnished or unfurnished accommodation. This category also includes those whose accommodation is rent-free and squatters.

Registered Social Landlord

Social Landlords that are registered with the Housing Corporation (most are Housing Associations, but can be trusts and co-operatives) to provide social housing. Registered Social Landlords are run as non-profit making businesses.

Recipient

A benefit unit that is in receipt of a benefit.

Sampling error

The uncertainty in the estimate arising from taking a random sample of the population which may not reflect the characteristics of the whole population. The likely size of this error can be identified and expressed as a confidence interval.

Social rented sector tenants

This category includes those who rent their accommodation from the Local Authority Council or from a Registered Social Landlord/Housing Association, and the home does not come with a job.

Symbols and abbreviations

AA	Attendance Allowance	**NENR**	Non-Entitled Non-Recipient
AHC	After Housing Costs	**NER**	Non-Entitled Recipient
BHC	Before Housing Costs	**ONS**	Office for National Statistics
BU	Benefit Unit	**PC**	Pension Credit
CTB	Council Tax Benefit	**QSE**	Quarterly Statistical Enquiry
DDA	Disability Discrimination Act	**R**	Recipient
DLA	Disability Living Allowance	**RP**	Retirement Pension
DSS	Department of Social Security	**SAR**	Second Adult Rebate
DWP	Department for Work and Pensions	**SC**	Savings Credit element of PC
ENR	Entitled Non-Recipient	**WFP**	Winter Fuel Payment
ER	Entitled Recipient	**WPLS**	Work and Pensions Longitudinal Study
FRS	Family Resources Survey	**2006-07**	Financial Year
GC	Guarantee Credit element of PC	**<**	Less than
HB	Housing Benefit	**>**	Greater than
ILO	International Labour Organisation	**..**	Not available
IS	Income Support	**.**	Not applicable/Not possible
JSA (IB)	Jobseeker's Allowance (Income-Based)	**-**	Negligible
LA	Local Authority	**0**	Nil
MIG	Minimum Income Guarantee		

Conventions used in the tables

1. Average amounts are rounded to the nearest ten pence.
2. Amounts claimed and unclaimed are rounded to the nearest £10 million.
3. Caseload figures are rounded to the nearest 10,000.
4. Take-up percentages are rounded to the nearest percentage point.
5. Totals may not equal the sum of their parts due to rounding.
6. Full-time self-employed cases are excluded from all results.
7. Those not living in private households are excluded from all results.

Summary of Key Results for 2006-07

Income Support

Take-up between 81% and 90% by caseload, compared with between 79% and 88% in 2005-06

Take-up between 87% and 95% by expenditure, compared with between 86% and 93% in 2005-06

Pension Credit

Take-up between 59% and 67% by caseload, compared with between 60% and 69% in 2005-06

Take-up between 69% and 76% by expenditure, compared with between 70% and 78% in 2005-06

Housing Benefit

Take-up between 81% and 87% by caseload, compared with between 83% and 88% in 2005-06

Take-up between 86% and 92% by expenditure, compared with between 87% and 92% in 2005-06

Council Tax Benefit

Take-up between 63% and 69% by caseload, compared with between 62% and 68% in 2005-06

Take-up between 65% and 72% by expenditure, compared with between 64% and 71% in 2005-06

Jobseeker's Allowance (Income-Based)

Take-up between 49% and 60% by caseload, compared with between 50% and 59% in 2005-06

Take-up between 52% and 64% by expenditure, compared with between 54% and 64% in 2005-06

Chapter 1

Income Support

Key results

All non-pensioners

- **Caseload take-up**: between 81% and 90% overall
- **Expenditure take-up**: between 87% and 95% overall
- **Change since 2005-06**: there was evidence to suggest an increase in caseload take-up by about one percentage point
- **Change since 1997-98**: there was evidence to suggest a fall in caseload take-up of at least three percentage points

Non-pensioners with children

- **Caseload take-up**: between 87% and 94%
- **Expenditure take-up**: between 92% and 97%
- **Change since 2005-06**: there was no evidence to suggest a change in caseload take-up
- **Change since 1997-98**: there was evidence to suggest a fall in caseload take-up of at least three percentage points

Non-pensioners without children

- **Caseload take-up**: between 74% and 87%
- **Expenditure take-up**: between 80% and 92%
- **Change since 2005-06**: there was evidence to suggest an increase in caseload take-up of at least two, possibly more, percentage points
- **Change since 1997-98**: there was evidence to suggest a fall in caseload take-up of at least one percentage point; although due to high and increasing level of bias in our modelling we cannot be certain of this

Characteristics of Entitled Non-Recipients (ENRs)

- **Amounts unclaimed**: On average, ENRs were entitled to lower amounts than Entitled Recipients (ERs)
- **Age**: ENRs tended to be slightly older than ERs. Thirty-four per cent of ENRs were aged 50-59, compared with 21 per cent of ERs
- **Tenure**: forty-one per cent of ENRs were owner-occupiers compared with 16 per cent of ERs
- **Other Income:** forty-seven per cent of single ENRs had other income (excluding Housing Benefit and Council Tax Benefit) of more than £75 per week compared with only 35 per cent of ERs
- **Living with others:** forty-four per cent of ENRs and 28 per cent of ERs shared their household with other benefit units
- **Region/Country**: The greatest proportion of ENRs of Income Support lived in London, while the greatest proportion of ERs lived in the North West.
- **Disability**: sixty-two per cent of Entitled Recipients had a disabled person in the benefit unit, compared with 69 per cent of Entitled Non-Recipients
- **Percentage living below the 60 per cent of contemporary median income**: around two-thirds of ENRs lived in households below the 60 per cent of median income Before Housing Costs compared with just over half of ERs. After Housing Costs, the difference was much smaller

Introduction

Income Support (IS) is paid to non-pensioners who are on low incomes and who are not in full-time work. It is not paid to single people working 16 hours or more per week, or to couples if the claimant works 16 hours or more per week, or the claimant's partner works 24 or more hours per week. In 2006-07, it was reduced for those with capital holdings of £6,000 or more and was not paid to those with capital holdings of £16,000 or more.

In October 2003, Minimum Income Guarantee (MIG), the benefit providing Income Support for pensioners, was replaced by Pension Credit (PC). Results for Pension Credit in 2006-07 are presented in Chapter 2 of this publication. This chapter therefore presents results for non-pensioners only.

Singles with children could claim either Income Support or Jobseeker's Allowance (Income-Based) in 2006-07. For those who had an underlying entitlement to both of these benefits we cannot determine which one they might have claimed. In practice we know that the vast majority of these cases would have claimed Income Support, because analysis of DWP administrative data shows an average of 870,000 singles with children were claiming Income Support in 2006-07 while only 17,000 were claiming JSA (IB) over the same period; this represents around two per cent of singles with children in receipt of either benefit. So, for the purposes of estimating take-up we have made the assumption that singles with children would have claimed IS rather than Jobseeker's Allowance (IB) if they have reported receipt of neither. Income Support could be paid in conjunction with Housing Benefit and Council Tax Benefit but not with Jobseeker's Allowance (IB).

Guide to tables

Estimates of caseload and expenditure take-up are presented for non-pensioners with children and non-pensioners without children in Tables 1.1 and 1.2 respectively. Caseload and expenditure statistics by different groups of non-pensioners with children are contained in the two tables that follow (Tables 1.3 and 1.4); for different groups of non-pensioners without children, Tables 1.5 and 1.6 present the latest figures.

Readers will notice that components do not always sum to totals in the tables. This is because 95 per cent confidence intervals have been calculated separately for components and totals in order to take account of sampling error. Take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of bias on the baseline figures[2]. Where ranges are wide, uncertainties as to biases account for the major part.

Additional tables in the 'Further Analysis' section give an indication of what proportion of Entitled Non-Recipients and Entitled Recipients of Income Support in Great Britain had incomes below 60 per cent of contemporary median income. The section also provides a comparison of the characteristics of Entitled Non-Recipients with those of Entitled Recipients and, in doing so, explores some of the possible reasons for non-take-up. Geographical and disability comparisons are provided for the first time. In response to user demand, analyses looking at where ENRs and ERs were in the income distribution (by quintile) have been dropped from this publication.

[2] See Chapter 6 and the Appendix for more details on how the effects of the different biases are assessed.

Technical note on the results in this chapter

The presentation of statistics for Income Support includes a gender breakdown comprising of single males and single females for non-pensioners without children. Estimates for singles with children have not been split by gender because the resulting small sample sizes for male singles with children do not allow the calculation of statistically robust results.

The statistics presented for the groups 'couples with children' and 'couples without children' were obtained by combining two years' data together. Statistics presented for 2005-06 are based on analyses of 2004-05 and 2005-06 data combined, whilst statistics presented for 2006-07 are based on analyses of 2005-06 and 2006-07 data combined. This was done because sample sizes were too small to produce robust estimates based on a single year's data.

Estimates of unclaimed amounts should be treated with caution. This is because the sample sizes for estimated Entitled Non-Recipients, on which the figures are based, tend to be small. Particular caution should be taken with expenditure-based results for singles with children and non-pensioners with children. This is because analysis shows that there is a large difference between the amounts of modelled entitled and amounts claimed for those in receipt for these groups.

Child Tax Credit (CTC) was introduced in April 2003 and is paid to eligible families with children. In due course child premia paid through Income Support (and Jobseeker's Allowance) will be fully replaced by the CTC. Since 2004-05, any new Income Support recipients started to receive CTC from Her Majesty's Revenue and Customs (HMRC) instead of the child premia through their Income Support. Therefore in our modelling of entitlement, we have taken this migration into consideration and the subsequent results presented in this publication are based both on the existing benefit rules and on the new benefit rules whereby child premia are not assigned when modelling entitlement. Our modelling of child premia makes use of whether a benefit unit has reported receipt of CTC. There is a mismatch between the numbers of CTC recipients on the FRS when compared with administrative data, which may be a source of bias in the results in this chapter.

Data on recipients since 2004-05 are based on the Work and Pensions Longitudinal Study, which covers 100 per cent of claimants.

Results

Table 1.1: Caseload take-up of Income Support

	Year	Non-Pensioners with Children	Non-Pensioners without Children	All Non-Pensioners
				(Thousands)
Number of Recipients	2005-06	1,060	1,040	2,100
	2006-07	1,050	1,050	2,090
Range of Entitled Non-Recipients	2005-06	70 : 150	200 : 430	280 : 570
	2006-07	70 : 150	160 : 360	240 : 500
				(Percentages)
Take-Up Ranges	2005-06	88 : 94	71 : 84	79 : 88
	2006-07	87 : 94	74 : 87	81 : 90

Table 1.2: Expenditure take-up of Income Support

	Year	Non-Pensioners with Children	Non-Pensioners without Children	All Non-Pensioners
				(Pounds)
Average Weekly Amounts Claimed	2005-06	106.2	64.6	85.6
	2006-07	99.5	66.9	83.2
Average Weekly Amounts Unclaimed	2005-06	56.1	45.3	48.6
	2006-07	52.5	43.4	46.3
Median Weekly Amounts Unclaimed	2005-06	56.2	42.4	47.4
	2006-07	57.5	35.0	45.5
				(Millions of Pounds)
Total Amount Claimed	2005-06	5,850	3,510	9,350
	2006-07	5,410	3,640	9,060
Total Range Unclaimed	2005-06	190 : 460	420 : 1,120	650 : 1,530
	2006-07	170 : 460	310 : 920	530 : 1,300
				(Percentages)
Take-Up Ranges	2005-06	93 : 97	76 : 89	86 : 93
	2006-07	92 : 97	80 : 92	87 : 95

Take-up of Income Support was lower amongst non-pensioners without children than for non-pensioners with children, by both caseload and expenditure measures.

There was evidence of an increase in Income Support take-up by about one percentage point between 2005-06 and 2006-07 by caseload, caused by an increase in take-up amongst non-pensioners without children, of at least two, possibly more percentage points. However, we cannot be certain due to the high level of bias present in our modelling. For those with children there was no evidence to suggest any change in take-up between the two reporting years.

Table 1.3: Caseload take-up of Income Support by non-pensioners with children

	Year	Couples with Children	Singles with Children
			(Thousands)
Number of Recipients	2005-06	160	890
	2006-07	160	890
Range of Entitled Non-Recipients	2005-06	20 : 30	50 : 120
	2006-07	10 : 40	60 : 120
			(Percentages)
Take-Up Ranges	2005-06	83 : 91	88 : 95
	2006-07	79 : 93	88 : 94

Note:

Estimates for couples with children presented for 2005-06 are based on combined 2004-05 and 2005-06 data.

Estimates for couples with children presented for 2006-07 are based on combined 2005-06 and 2006-07 data.

Table 1.4: Expenditure take-up of Income Support by non-pensioners with children

	Year	Couples with Children	Singles with Children
			(Pounds)
Average Weekly Amounts Claimed	2005-06	138.3	100.3
	2006-07	131.4	93.9
Average Weekly Amounts Unclaimed	2005-06	63.2	53.5
	2006-07	61.7	49.1
Median Weekly Amounts Unclaimed	2005-06	62.7	56.2
	2006-07	57.3	57.5
			(Millions of Pounds)
Total Amount Claimed	2005-06	1,180	4,660
	2006-07	1,080	4,340
Total Range Unclaimed	2005-06	50 : 130	130 : 360
	2006-07	30 : 160	130 : 320
			(Percentages)
Take-Up Ranges	2005-06	90 : 96	93 : 97
	2006-07	87 : 97	93 : 97

Note:

Estimates for couples with children presented for 2005-06 are based on combined 2004-05 and 2005-06 data.

Estimates for couples with children presented for 2006-07 are based on combined 2005-06 and 2006-07 data.

Looking at all the available evidence, it is not possible to say whether the take-up of Income Support was highest among singles with children or couples with children, on either measure.

There was evidence to suggest that there has been a slight fall in take-up amongst couples with children by at least one percentage point between 2004/05-2004/06 and 2005/06-2006/07, but given the changes in bias for this group we cannot be certain. There was no evidence to suggest a change in take-up for singles with children between 2005-06 and 2006-07.

Table 1.5: Caseload take-up of Income Support by non-pensioners without children

	Year	Couples	Single Males	Single Females
				(Thousands)
Number of Recipients	2005-06	110	510	420
	2006-07	110	520	420
Range of Entitled Non-Recipients	2005-06	20 : 50	110 : 260	50 : 150
	2006-07	20 : 40	70 : 200	50 : 150
				(Percentages)
Take-Up Ranges	2005-06	71 : 82	66 : 83	74 : 89
	2006-07	72 : 85	73 : 88	74 : 89

Note:

Estimates for couples presented for 2005-06 are based on combined 2004-05 and 2005-06 data.

Estimates for couples presented for 2006-07 are based on combined 2005-06 and 2006-07 data.

Table 1.6: Expenditure take-up of Income Support by non-pensioners without children

	Year	Couples	Single Males	Single Females
				(Pounds)
Average Weekly Amounts Claimed	2005-06	77.6	63.2	62.9
	2006-07	79.0	65.7	65.3
Average Weekly Amounts Unclaimed	2005-06	55.0	41.2	48.4
	2006-07	61.6	41.3	39.7
Median Weekly Amounts Unclaimed	2005-06	42.7	34.8	44.5
	2006-07	49.1	32.0	29.8
				(Millions of Pounds)
Total Amount Claimed	2005-06	450	1,680	1,380
	2006-07	450	1,760	1,440
Total Range Unclaimed	2005-06	60 : 160	190 : 650	120 : 430
	2006-07	50 : 160	130 : 490	90 : 360
				(Percentages)
Take-Up Ranges	2005-06	74 : 89	72 : 90	76 : 92
	2006-07	74 : 90	78 : 93	80 : 94

Note:

Estimates for couples presented for 2005-06 are based on combined 2004-05 and 2005-06 data.

Estimates for couples presented for 2006-07 are based on combined 2005-06 and 2006-07 data.

Looking at all the evidence available, it is not possible to say which group without children had the highest or lowest take-up rate of Income Support by either caseload or expenditure measures.

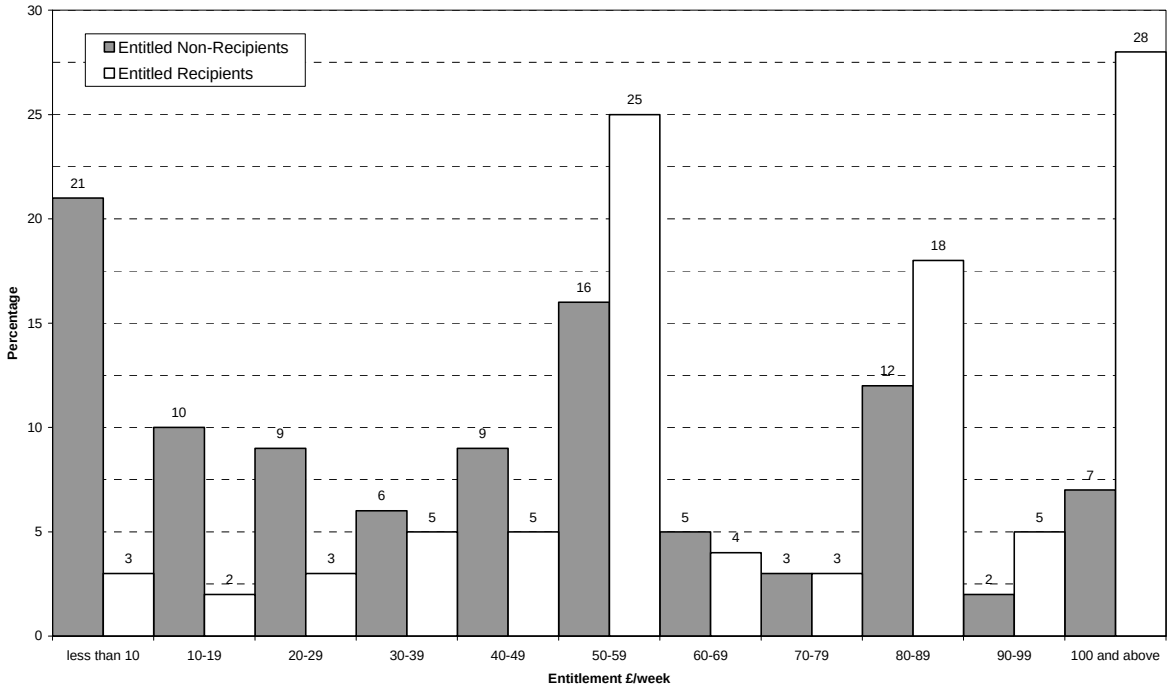
There was no evidence of any change in take-up for childless couples between 2004/05-2005/06 and 2005/06-2006/07. There was evidence of a decrease in take-up by single females without children between the two reporting years, of around one percentage point. There appears to have been an increase in take-up by about five percentage points for single males without children between 2005-06 and 2006-07. However, we cannot be certain due to the high level of certain types of bias in our modelling.

Further analysis of those entitled to but not receiving Income Support

In this section we describe the characteristics of those who were entitled to Income Support but were not receiving it (Entitled Non-Recipients, or ENRs). Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled to and in receipt of Income Support and in doing so explore some of the possible causes of non-take-up. These analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits – that is, they may be based on the data for those who appear to be ENRs but will not all actually be ENRs and vice versa (for more on this see Chapter 6) – and so they should be treated with some caution. For some analyses, data from the 2005-06 and 2006-07 Family Resources Surveys have been combined to make results more robust.

Amounts unclaimed

Figure 1.1: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Support



Note: This chart is based on a combination of 2005-06 and 2006-07 data. Percentages have been rounded to the nearest whole number.

Figure 1.1 shows the percentage of ENRs and Entitled Recipients (ERs) against bands of entitlement to Income Support. The numbers above the bars shaded grey show what proportion of ENRs are in each category of entitlement, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs were in each category of entitlement. Readers should therefore bear in mind that an equal percentage of ENRs and ERs in any one category does not mean that there is the same *number* of benefit units in that category.

Figure 1.1 shows that non-pensioners entitled to but not receiving Income Support tended to be entitled to smaller amounts than their Entitled Recipient counterparts. The chart also shows that the distribution of amounts unclaimed was heavily skewed to smaller amounts – with just over three-in-ten ENRs in the less than £20 per week entitlement bands. This compares with five per cent of Entitled Recipients.

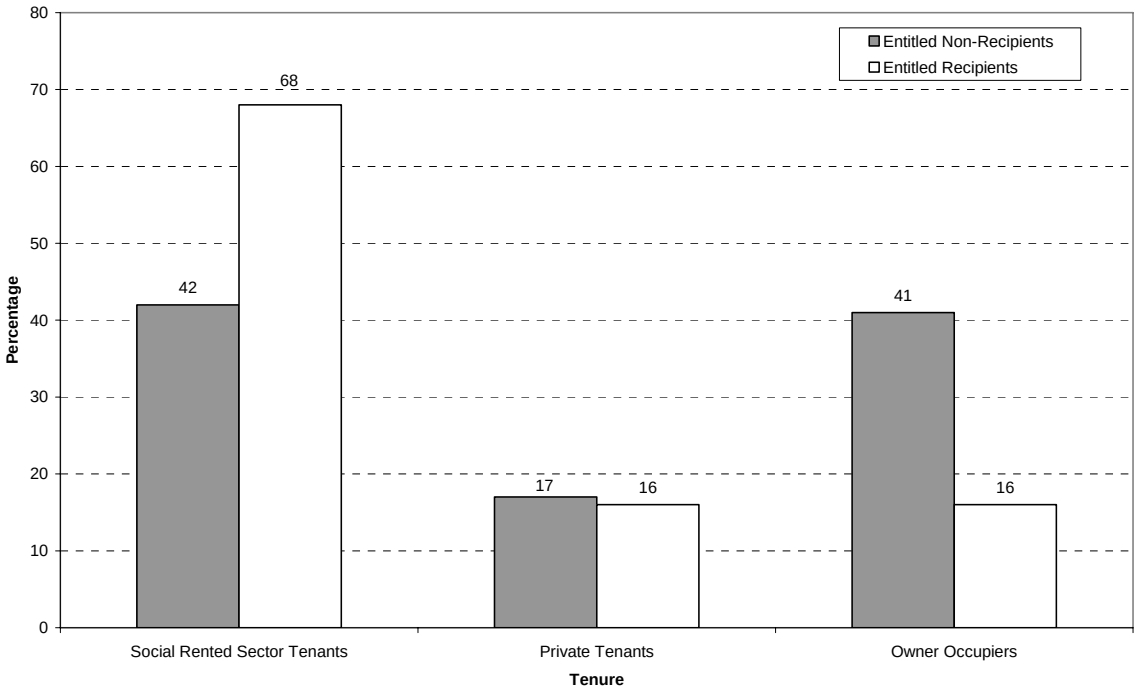
One possible reason why people do not take up benefit is because they regard the amounts they might receive as not worth the effort of claiming. Alternatively, those with less entitlement may be less confident of their entitlement and therefore do not claim. Whatever the reason, 15 per cent of ENRs in 2006-07 were entitled to less than £5 per week compared with two per cent of Entitled Recipients; this pattern of difference holds across other family types.

Age profile

Entitled Non-Recipients of Income Support tended to be slightly older than their Entitled Recipient counterparts. Overall, 53 per cent of ERs were aged less than 40, compared with 43 per cent of ENRs. A greater proportion of ENRs were aged between 50 and 59 years – 34 per cent of ENRs were in this age group, compared with 21 per cent of ERs.

Tenure profile

Figure 1.2: Percentage of Entitled Non-Recipients and Entitled Recipients of Income Support by tenure type



Note: This chart is based on a combination of 2005-06 and 2006-07 data. Percentages have been rounded to the nearest whole number.

Following consultation with users and in line with harmonised definitions across government surveys, a new tenure type definition has been introduced into the publication for the first time. Social Rented Sector Tenants include those who rent their accommodation from the Local Authority Council, or from a Registered Social Landlord or Housing Association. The private tenant category includes those who privately rent their accommodation. For more details on the change, and how this has affected estimates of take-up, see Chapter 6.

Figure 1.2 shows that more than two-fifths of ENRs of Income Support were Social Rented Sector Tenants compared with 68 per cent of ERs; 17 per cent of ENRs were private tenants compared with 16 per cent of ERs; and 41 per cent of ENRs were owner-occupiers compared with 16 per cent of ERs.

Other income

Another possible explanation for non-take-up is that ENRs manage with other sources of income. Forty-seven per cent of single ENRs had other income (excluding Housing Benefit and Council Tax Benefit) of more than £75 per week compared with only 35 per cent of Entitled Recipients. This suggests that, for single people, the existence of significant amounts of other income may be a factor in dissuading them from claiming Income Support.

By looking in more detail at different groupings of single people we find that, for certain groups, the differences between ENRs and ERs appear to be greater than for others. For example, 51 per cent of single females without children ENRs had other income in excess of £75 per week, compared with only 27 per cent of ERs. This compares with 41 per cent and 27 per cent respectively for single males without children. It should be noted that some of these differences could be due to the relatively modest sample sizes that the figures are based on.

We get the same result when we look at couples, but only when we examine other income exceeding £150 per week. Fifty-one per cent of couple ENRs had income over £150 per week compared with 39 per cent of couple Entitled Recipients. These results suggest that the existence of significant amounts of other income may dissuade both single and couple ENRs from claiming Income Support.

The previous analysis includes income that is taken into account when working out entitlement to Income Support, so it focuses on those with smaller entitlements. If we define 'other income' as benefit income that is ignored when entitlement to Income Support is assessed (such as Housing Benefit, Council Tax Benefit and Disability Living Allowance), then we can get some idea whether ENRs were more or less likely to try and manage with the benefit income they already had. For single people, 34 per cent of ENRs and 53 per cent of ERs had other benefit income of more than £75 per week. This suggests that whilst living on other benefit income may have some influence on take-up, it does not appear to have been the main factor for most ENRs. The same conclusion is reached when examining couples: 11 per cent of ENRs and 23 per cent of ERs had other benefit income in excess of £150 per week. Please note, however, the percentages for couples are based on smaller sample sizes and should therefore be treated with caution.

Living with other benefit units

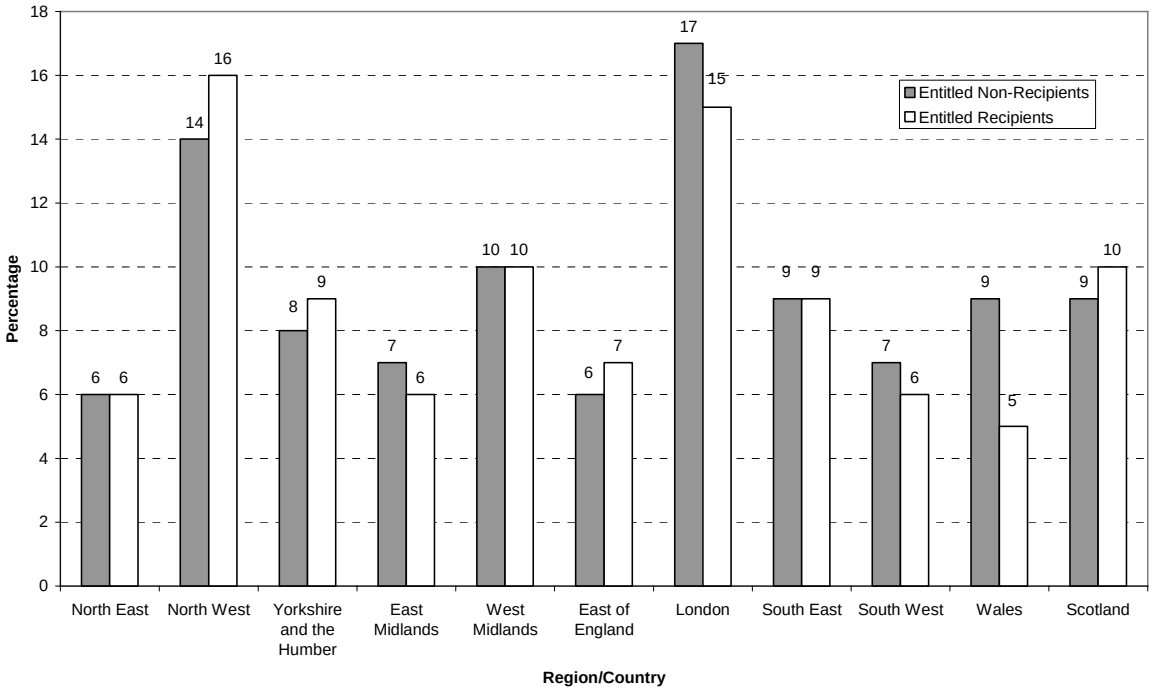
A further possible explanation for non-take-up of Income Support is that ENRs may share resources with others living in the same household. Overall, 44 per cent of ENRs and 28 per cent of ERs shared their household with other benefit units. Of the ENRs living in households with more than one benefit unit, 78 per cent lived with benefit units who had £150 or more per week gross income. This compares with 64 per cent in the case of ERs living with other benefit units. This suggests that the benefit units who lived with ERs tended to have less gross income (and therefore less resources to share) than their counterparts who lived with ENRs, possibly contributing to their decision to claim. These results relate to 2005-06 and 2006-07.

Region/Country

Figure 1.3 presents the distribution of Entitled Non-Recipients and Entitled Recipients by region/country. The numbers above the bars shaded grey show what proportion of ENRs lived in each region/country, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs lived in each region/country. Readers should therefore bear in mind that an equal percentage of ENRs and ERs in any region does not mean that there is the same *number* of benefit units in that category.

The greatest proportion of ENRs of Income Support lived in London, while the greatest proportion of ERs lived in the North West. There were proportionately more ENRs than ERs in London, the East Midlands, the South West and Wales, indicating that take-up may have been lower in these areas.

Figure 1.3: Entitled Non-Recipients and Entitled Recipients of Income Support by Region/Country



Note: This chart is based on a combination of 2005-06 and 2006-07 data. Percentages have been rounded to the nearest whole number.

Disability

Sixty-two per cent of Entitled Recipients had a disabled person (please refer to the glossary for the definition of 'disabled') in the benefit unit compared with 69 per cent of Entitled Non-Recipients. These figures may indicate that disability may not have been a factor in the take-up of Income Support in 2006-07.

The percentage of Entitled Non-Recipients and Entitled Recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs of Income Support living in low-income households. One commonly-used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[3]. From 2005-06, HBAI's measurement of the income distribution is based on incomes in the UK as a whole, and uses the OECD equivalisation scale. This comes from the 2004 Spending Review that stipulated that the child poverty measure should be measured on these bases.

This section compares those in Great Britain on the take-up dataset against the UK median based on OECD equivalisation using the HBAI dataset. Take-up estimates are presented for the population in Great Britain, but the definition of 'low income' has used the UK median to be consistent with low-income estimates published in the 'Households Below Average Income' report. Previous analysis has shown that the inclusion of Northern Ireland produces estimates that are virtually indistinguishable whether using GB or UK medians. The position of some ENRs and ERs in the income distribution

[3] *Households Below Average Income (HBAI) 1994/95-2006/07*, (2008) DWP. For access to the publication see the following website: http://www.dwp.gov.uk/asd/hbai.asp

may have been affected by the incomes of other household members. Figures are calculated both Before Housing Costs (BHC) and After Housing Costs (AHC) for 2005-06 and 2006-07.

Table 1.7: Percentage of ENRs and ERs of Income Support below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
All non-pensioners	**ENRs**	2005-06	65%	75%
		2006-07	67%	76%
	ERs	2005-06	48%	69%
		2006-07	51%	72%

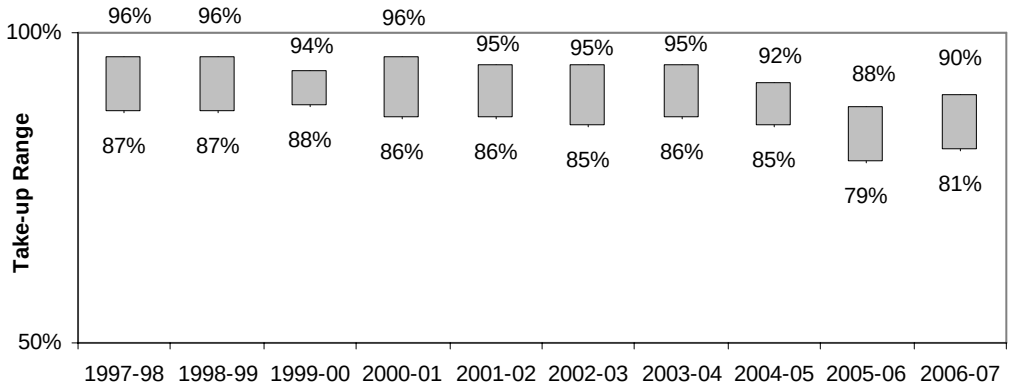
Table 1.7 shows that Before Housing Costs around two-thirds of ENRs of Income Support were in households below 60 per cent of median income in 2006-07, whereas just over half of ERs of the benefit were in this position. When comparing estimates of ENRs and ERs of Income Support in low-income households on an After Housing Costs basis, the difference was much smaller.

Following consultation with users, for this 2006-07 edition, tables showing the position of ERs and ENRs in the income distribution have been removed.

Trends in take-up over time

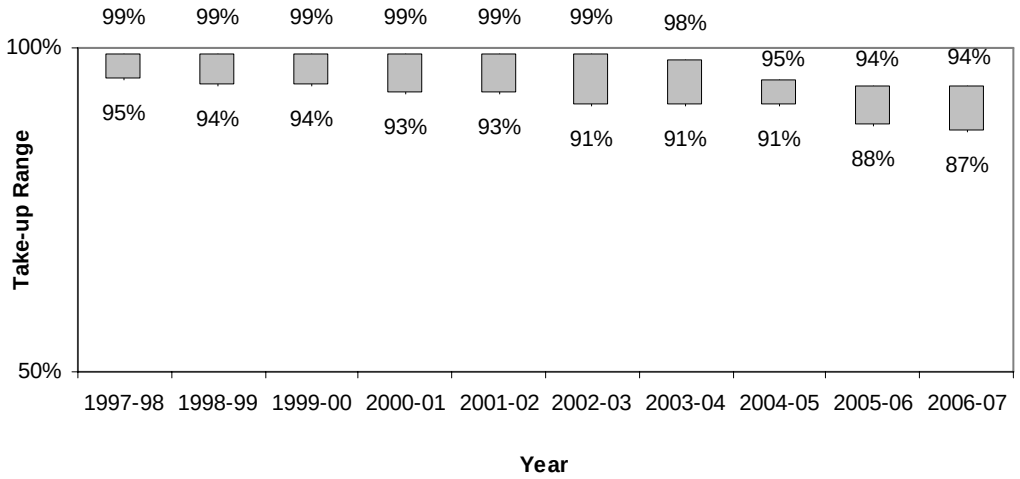
The following section focuses on take-up of Income Support over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997-98. Comparing take-up over time is not straightforward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, except those results covering the year prior to the latest published results, estimates of take-up are not recast in light of methodological improvements. The methodology used to determine the direction and extent of take-up has been changed to make it more consistent, and gives a more accurate reflection of the level of change. As a result, the changes may differ from conclusions given in previous publications. The statements made below allow for these complications as best we can.

Figure 1.4: Pattern over time in caseload take-up of Income Support



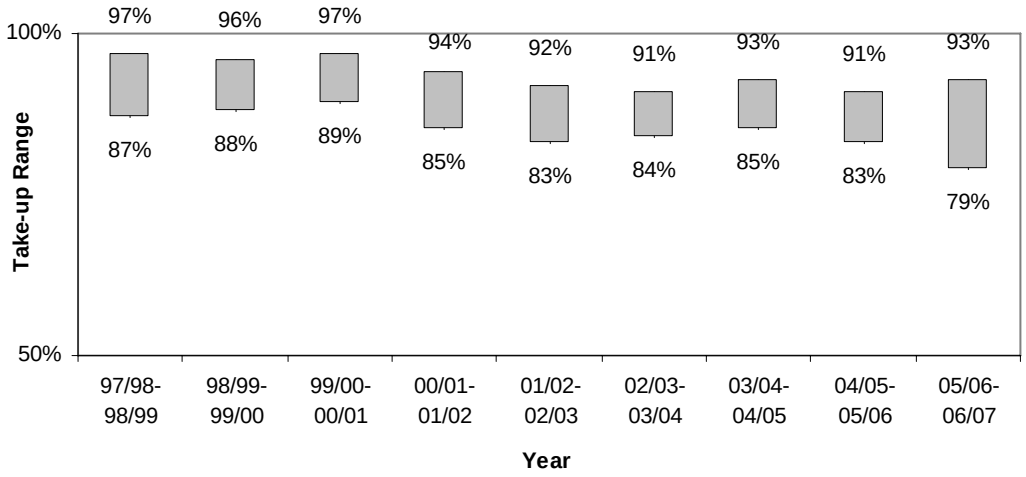
Since 1997-98 there was evidence to suggest a fall in take-up of at least three percentage points.

Figure 1.5: Pattern over time in caseload take-up of Income Support for non-pensioners with children



For non-pensioners with children, since 1997-98 there was evidence to suggest a fall in take-up of at least three percentage points for this group as a whole.

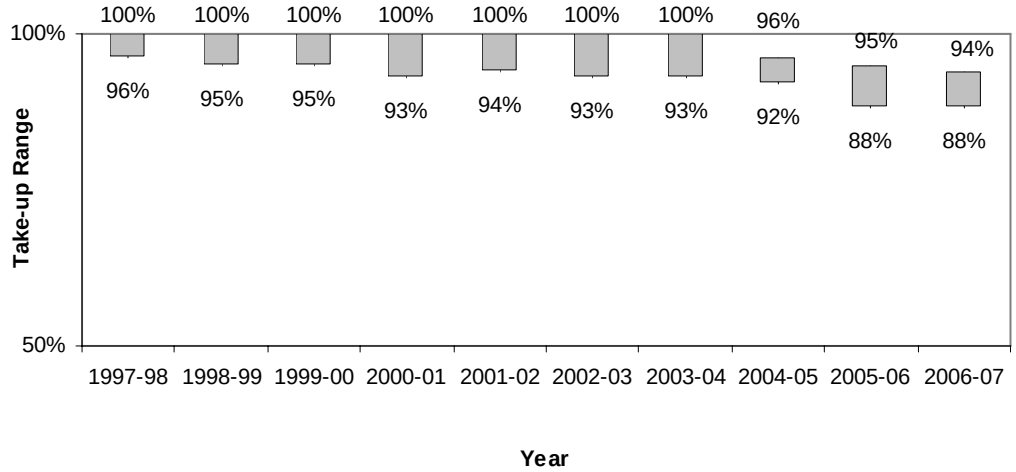
Figure 1.6: Pattern over time in caseload take-up of Income Support for couples with children



Note: Estimates are based on a combination of two years' data

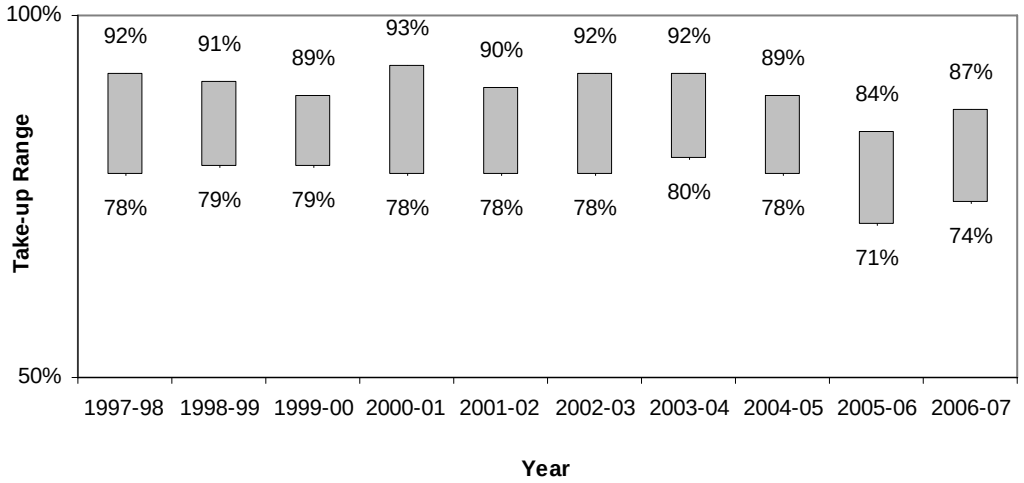
Since 1997-98 there has been evidence of a slight decrease in take-up by at least one percentage point for couples with children, although due to changes in some types of bias we cannot be certain.

Figure 1.7: Pattern over time in caseload take-up of Income Support for singles with children



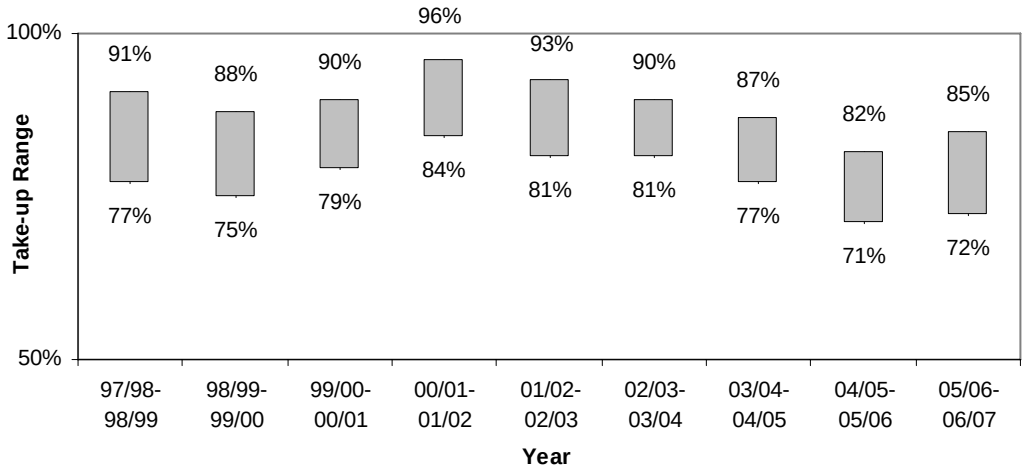
Since 1997-98 there was evidence to suggest a fall in take-up of at least three percentage points for singles with children.

Figure 1.8: Pattern over time in caseload take-up of Income Support for non-pensioners without children



Since 1997-98, there was evidence to suggest that there has been a fall in take-up of at least one percentage point for this group as a whole; although due to high and gradually increasing levels of bias in our modelling we cannot be certain of this.

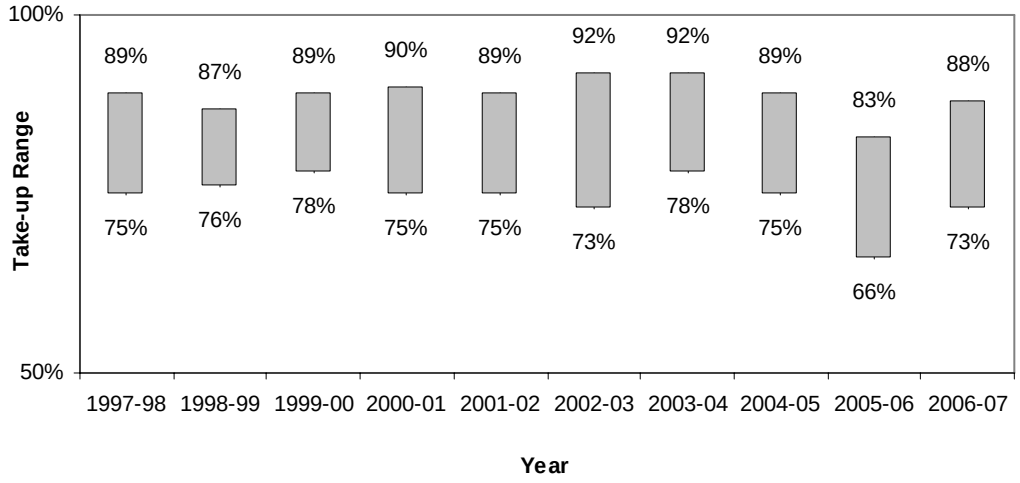
Figure 1.9: Pattern over time in caseload take-up of Income Support for couples without children



Note: Estimates are based on a combination of two years' data

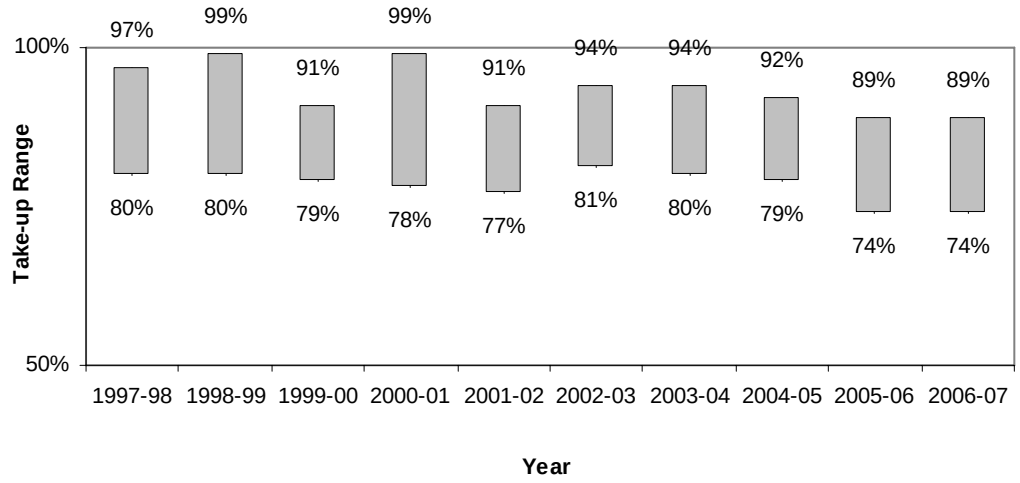
In terms of a trend in take-up between 1997/98-1998/99 and 2005/06-2006/07, there is contradictory evidence of any change in take-up overall. There was volatility until 2000/01-2001/02 followed by a fall of about three percentage points, although the evidence is not strong enough to support a clear conclusion.

Figure 1.10: Pattern over time in caseload take-up of Income Support for single males without children



Since 1997-98, there is no conclusive evidence to suggest any clear change in take-up for this group.

Figure 1.11: Patterns over time in caseload take-up of Income Support for single females without children



Between 1997-98 and 2006-07 there was evidence to suggest a fall in take-up of at least three percentage points, although due to high and gradually increasing levels of bias in our modelling since 1997-98 we cannot be certain of this.

Chapter 2

Pension Credit

Key results

All Pension Credit

- **Caseload take-up**: between 59% and 67% overall
- **Expenditure take-up**: between 69% and 76% overall
- **Change since 2005-06**: there was evidence of a small fall in caseload take-up, of around one to two percentage points
- **Change since 2003-04**: there was evidence of an increase in caseload take-up of around seven to eight percentage points

Guarantee Credit only

- **Caseload take-up**: between 72% and 82%
- **Expenditure take-up**: between 75% and 84%
- **Change since 2005-06**: there was no evidence of any change in caseload take-up for those entitled to the Guarantee Credit only
- **Change since 2003-04**: there appeared to be no evidence of any change in the take-up of the Guarantee element of Pension Credit

Guarantee and Savings Credit

- **Caseload take-up**: between 64% and 77%
- **Expenditure take-up**: between 68% and 80%
- **Change since 2005-06**: there was evidence of a decrease in take-up of around three percentage points, although caution is required due to the high level of bias associated with this group
- **Change since 2003-04**: there was evidence of an increase in take-up, although we cannot be sure due to high levels of bias for this group

Savings Credit only

- **Caseload take-up**: between 42% and 49%
- **Expenditure take-up**: between 47% and 54%

- **Change since 2005-06**: there was evidence of an increase in caseload take-up of at least one percentage point
- **Change since 2003-04**: there was evidence of an increase in caseload take-up of at least six percentage points

Characteristics of Entitled Non-Recipients (ENRs)

- **Amounts unclaimed**: On average, Entitled Non-Recipients (ENRs) tended to be entitled to lower amounts than Entitled Recipients (ERs)
- **Age profile:** thirty-five per cent of ENRs of Pension Credit were aged 80 or over; the proportion of ERs aged 80 or over was also 35 per cent
- **Tenure profile**: seventy-eight per cent of ENRs were owner occupiers compared with 45 per cent of ERs
- **Other income**: the existence of significant amounts of other income may dissuade ENRs from claiming Pension Credit
- **Whether claiming Housing Benefit**: eighty-seven per cent of ERs of PC who were renters were also ERs of HB. This compares with 41 per cent of ENRs of PC who were ERs of HB
- **Whether claiming Council Tax Benefit**: seventy-nine per cent of ERs of PC were also ERs of CTB. This compares with 17 per cent of ENRs of PC who were ERs of CTB
- **Living with other benefit units:** eighteen per cent of Pension Credit ENRs lived with other benefit units compared with 15 per cent of ERs
- **Region/Country**: the greatest proportion of Pension Credit ENRs and ERs lived in the North West
- **Disability**: fifty-eight per cent of ENRs had a disabled person in the benefit unit, compared with 71 per cent of ERs
- **Marital status:** sixty-eight per cent of Pension Credit ERs were either divorced, widowed or separated compared with 55 per cent of Entitled Non-Recipients
- **Percentage living in low-income households**: sixty-seven per cent of ENRs of Pension Credit lived in low-income households on the Before Housing Costs measure, compared with 56 per cent once housing costs had been considered. This compares with ERs, of whom around a third lived in a low-income household on the After Housing Costs measure

Introduction

Pension Credit (PC) was introduced on 6 October 2003 and replaced the Minimum Income Guarantee (MIG). It is paid to people aged 60 and over who are living on low incomes and guarantees all pensioners an income above a certain level.

There are two parts to Pension Credit: the Guarantee Credit (GC) and the Savings Credit (SC). The Guarantee Credit ensures a guaranteed level of income by providing financial help for people aged 60 and over whose income is below a given threshold. The Savings Credit is an extra amount for people aged 65 or over who have made modest provision for their retirement above the level of the basic state pension (such as savings or a second pension). Entitlement to the Guarantee Credit and the Savings Credit is calculated separately, and as a result, pensioners can receive both or either elements of Pension Credit.

Capital below £6,000 is ignored in the calculation of entitlement. There is no upper limit to the amount of capital a person may have, but any amount greater than £6,000 may affect the amount of Pension Credit received (except those in Residential Care or Nursing Homes for whom there is a limit of £10,000 – these cases are excluded from the analysis). An income of £1 per week is assumed for every £500, or part of £500, where capital exceeds £6,000.

In April 2006 the level of Pension Credit was increased by a rate greater than the increase in the basic state Retirement Pension. The statistics that follow have been interpreted with this context in mind.

Men over 60 but under 65 could claim either Pension Credit or Jobseeker's Allowance (Income-Based). For those who had an underlying entitlement to both of these benefits we cannot determine which one they might have claimed. In practice we know that the vast majority of these cases would have claimed Pension Credit. Analysis of DWP Quarterly Statistical Enquiry (QSE) administrative data shows an average of 204,000 men aged 60-64 were claiming Pension Credit in 2006-07 while only 3,000 were claiming JSA (IB) over the same period. The 204,000 Pension Credit recipients represent around 99 per cent of men aged 60-64 in receipt of either benefit. So, for the purposes of estimating take-up we have made the assumption that men over 60 but under 65 would have claimed PC rather than Jobseeker's Allowance if they have not reported receipt of either. Pension Credit could be paid in conjunction with Housing Benefit and Council Tax Benefit but not with Jobseeker’s Allowance.

Guide to tables

Estimates of caseload and expenditure take-up are presented for Pension Credit as a whole in Tables 2.1 and 2.2, by pensioner family type. Estimates of take-up for the components of Pension Credit are presented in the following tables: Tables 2.3 and 2.4 for the Guarantee element only; Tables 2.5 and 2.6 for both the Guarantee and Savings Credit; and Tables 2.7 and 2.8 for the Savings Credit only.

Though the table-by-table presentation of estimates are mutually exclusive, readers will notice that some components do not always sum to totals either within tables or to the overall Pension Credit results shown in Tables 2.1 and 2.2. This is because 95 per cent confidence intervals have been calculated separately for components and totals in order to reflect sampling error. Take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of bias on

the baseline figures[4]. Where ranges are wide, uncertainties due to biases opposed to sampling error account for the major part.

For Pension Credit by family type, estimates of unclaimed amounts should be treated with caution. This is because the sample sizes for estimated Entitled Non-Recipients, on which the figures are based, tend to be small. Additionally, they are based on a sample that may include a number of false ENRs who cannot be identified and removed, and may not include some true ENRs who have been modelled as Non-Entitled Non-Recipients.

Additional tables in the 'Further Analysis' section give an indication of what proportion of Entitled Non-Recipients and Entitled Recipients of Pension Credit in Great Britain had incomes below 60 per cent of contemporary median income. In response to user demand, analyses looking at where ENRs and ERs were in the income distribution (by quintile) have been dropped from this publication. The section also provides a comparison of the characteristics of Entitled Non-Recipients with those of Entitled Recipients and, in doing so, explores some of the possible reasons for non-take-up. Geographical and disability comparisons are provided for the first time

Technical note on the results in this chapter

The introduction of Pension Credit resulted in, for a significant number of claimants, entitlements being awarded some time after the introduction of the new benefit in October 2003, but backdated by up to 12 months. This was part of a deliberate policy by the Pension Service to introduce Pension Credit in a staged and managed fashion, to avoid bottlenecks in the number of claims being processed, but without financially disadvantaging customers. Cases where payments were made some time after a pensioner became entitled, but in respect of 2006-07, have been incorporated into both the estimates of recipients and those who were entitled yet not receiving in the following results. This means that the recipient count will differ from recipient counts published by other sources, as it includes recipients who eventually received Pension Credit at a later date, but in respect of 2006-07.

Although the number of backdated claims has fallen between 2005-06 and 2006-07 these figures have still taken account of those claims that were paid in 2007-08, but were backdated to 2006-07. Had the analysis reported in this publication not taken into consideration the effect of backdating, estimates of take-up would have been lower. In 2006-07 the ranges of caseload take-up would have been around one to two percentage points lower.

For previous years, the lower and upper ranges of caseload take-up would have been:

- around 12 to 15 percentage points lower for Pension Credit as a whole in 2003-04;
- around three percentage points lower for Pension Credit as a whole in 2004-05;
- around two percentage points lower for Pension Credit as a whole in 2005-06.

The DWP research report No: 197 "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"[5] provided evidence of significant under-reporting of capital holdings by pensioners responding to the Family Resources Survey. Estimates of take-up presented in this chapter have been adjusted to take account of this potential source of bias.

In addition, there is evidence to suggest that some pensioner respondents to the Family Resources Survey may not correctly report which benefits they are receiving, resulting in an increase in the

4 See Chapter 6 and the Appendix for more details on how the effects of the different biases are assessed.
5 This report can be found at: http://www.dwp.gov.uk/asd/asd5/rports2003-2004/rrep197.asp

number of apparent Entitled Non-Recipients of Pension Credit. An exercise examining such responses revealed a substantial number of ‘hidden’ Pension Credit recipients; the estimates of take-up for 2006-07 incorporate the results of this investigation.

Further explanation of the above problems, and how they have been addressed in this publication, is provided in Chapter 6.

Caution should be taken with expenditure-based Savings Credit results for ‘single females’, ‘pensioners couples’ and ‘all Savings Credit’; and expenditure-based results for Guarantee and Savings Credit estimates, for the group ‘single males’. This is because analysis shows that there is a large difference between the amounts of modelled entitled and amounts claimed for those in receipt for these groups.

Results

Table 2.1: Caseload take-up of Pension Credit

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Thousands)
Number of Recipients	2005-06	610	510	1,490	2,600
	2006-07	620	520	1,480	2,620
Range of Entitled Non-Recipients	2005-06	350 : 520	220 : 380	570 : 880	1,170 : 1,740
	2006-07	440 : 620	180 : 320	620 : 910	1,260 : 1,820
					(Percentages)
Take-Up Ranges	2005-06	54 : 63	57 : 69	63 : 72	60 : 69
	2006-07	50 : 58	62 : 75	62 : 71	59 : 67

Note

Comparisons over time for 'Single Male Pensioners' should be treated with caution due to changes in bias.

Table 2.2: Expenditure take-up of Pension Credit

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Pounds)
Average Weekly Amounts Claimed	2005-06	50.1	45.1	39.9	43.2
	2006-07	54.2	48.5	42.9	46.6
Average Weekly Amounts Unclaimed	2005-06	28.7	27.1	24.5	26.4
	2006-07	30.9	30.3	25.6	28.4
Median Weekly Amounts Unclaimed	2005-06	15.5	15.2	17.0	16.4
	2006-07	19.3	18.4	17.9	18.4
					(Millions of Pounds)
Total Amount Claimed	2005-06	1,590	1,190	3,080	5,860
	2006-07	1,750	1,320	3,310	6,370
Total Range Unclaimed	2005-06	500 : 840	350 : 600	770 : 1,190	1,620 : 2,510
	2006-07	780 : 1,080	310 : 560	880 : 1,300	1,960 : 2,810
					(Percentages)
Take-Up Ranges	2005-06	65 : 76	67 : 77	72 : 80	70 : 78
	2006-07	62 : 69	70 : 81	72 : 79	69 : 76

Note

Comparisons over time for 'Single Male Pensioners' should be treated with caution due to changes in bias.

By both caseload and expenditure, take-up by single male and single female pensioners was higher than for pensioner couples.

Comparisons between 2005-06 and 2006-07 are complicated by the greater rise in Pension Credit applicable amounts, relative to Retirement Pension, that occurred in April 2006. These changes would have increased the number of pensioners entitled to Pension Credit. The overall changes reported in Tables 2.1 and 2.2 therefore reflect two factors:

a) any changes in take-up, between the two periods, among the groups who were entitled to Pension Credit in 2005-06 and would have been entitled in 2006-07, even if Pension Credit and Retirement Pension had been uprated by the same percentage; and

b) the rate of take-up among those who were not entitled in 2005-06 but who were entitled in 2006-07 due to the increases introduced in April 2006.

Detailed examination of the evidence suggests that, among pensioners who would have been entitled to PC even without the April 2006 rises, caseload take-up rose – possibly by around one percentage point between 2005-06 and 2006-07. This rise was greatest for single male pensioners.

A lower rate of take-up among those newly entitled to Pension Credit tended to reduce the aggregate take-up in 2006-07. As a result, there was evidence of a small fall in caseload take-up of Pension Credit around one to two percentage points.

For pensioner couples, there was evidence of a fall in take-up, of around three percentage points between 2005-06 and 2006-07. However, we cannot be sure due to changing biases for this group. For single females, there was evidence of a decrease in take-up, of around two to three percentage points. For single male pensioners, there appeared to have been an increase in take-up, of around five to six percentage points, although this conclusion should be treated with caution due to changes in bias for single male pensioners.

Table 2.3: Caseload take-up of Guarantee Credit only

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Thousands)
Number of Recipients	2005-06	180	190	370	740
	2006-07	190	200	380	760
Range of Entitled Non-Recipients	2005-06	60 : 110	50 : 110	70 : 120	190 : 330
	2006-07	70 : 120	20 : 50	70 : 150	170 : 300
					(Percentages)
Take-Up Ranges	2005-06	62 : 76	64 : 79	75 : 84	69 : 80
	2006-07	62 : 73	78 : 90	72 : 84	72 : 82

Note

Comparisons over time for 'Single Male Pensioners' should be treated with caution due to changes in bias.

Table 2.4: Expenditure take-up of Guarantee Credit only

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Pounds)
Average Weekly Amounts Claimed	2005-06	94.8	77.8	64.4	75.0
	2006-07	99.7	82.5	67.9	79.0
Average Weekly Amounts Unclaimed	2005-06	64.0	62.9	54.7	59.9
	2006-07	72.4	75.6	50.2	63.5
Median Weekly Amounts Unclaimed	2005-06	50.5	59.4	46.7	50.3
	2006-07	63.1	75.8	39.0	54.4
					(Millions of Pounds)
Total Amount Claimed	2005-06	910	760	1,250	2,910
	2006-07	970	840	1,350	3,160
Total Range Unclaimed	2005-06	130 : 350	180 : 390	170 : 350	490 : 1,000
	2006-07	290 : 480	90 : 240	210 : 420	610 : 1,070
					(Percentages)
Take-Up Ranges	2005-06	72 : 88	66 : 81	78 : 88	74 : 86
	2006-07	67 : 77	78 : 90	76 : 87	75 : 84

Note

Comparisons over time for 'Single Male Pensioners' should be treated with caution due to changes in bias.

By caseload, take-up of the Guarantee Credit element of Pension Credit was higher than the take-up of Pension Credit for all pensioners and for each family type. It is not possible to say whether take-up of the Guarantee element was higher than Pension Credit using the expenditure-based measure of take-up due to overlapping ranges.

For both the caseload and expenditure measures of take-up, single male pensioners had a higher level of take-up than pensioner couples in 2006-07.

There was no evidence of any change in caseload take-up for those entitled to the Guarantee Credit only, between 2005-06 and 2006-07 for pensioners as a whole. There was some evidence of an increase in take-up for pensioner couples, by at least one percentage point. There was evidence of an increase in take-up, of up to four percentage points for single male pensioners. However, it is hard to be sure of either of these results due to changes in biases over the two years for these groups. There was no evidence of any change in take-up for single female pensioners, which comprises the largest proportion of the total number of pensioners entitled to Guarantee Credit only.

Take-up of the Guarantee Credit would have remained level between 2005-06 and 2006-07 had Pension Credit applicable amounts not been increased at a higher rate than the Retirement Pension in April 2006 (see commentary on Tables 2.1 and 2.2 for further explanation).

Table 2.5: Caseload take-up of Guarantee and Savings Credit

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Thousands)
Number of Recipients	2005-06	210	200	830	1,250
	2006-07	220	210	820	1,260
Range of Entitled Non-Recipients	2005-06	60 : 130	30 : 100	170 : 370	270 : 570
	2006-07	120 : 200	40 : 110	210 : 420	380 : 710
					(Percentages)
Take-Up Ranges	2005-06	63 : 78	68 : 87	69 : 83	68 : 82
	2006-07	52 : 66	66 : 83	66 : 80	64 : 77

Note

Comparisons over time for 'Pensioner Couples' should be treated with caution due to changes in bias.

Table 2.6: Expenditure take-up of Guarantee and Savings Credit

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Pounds)
Average Weekly Amounts Claimed	2005-06	48.4	36.1	39.1	40.1
	2006-07	53.4	38.8	42.0	43.3
Average Weekly Amounts Unclaimed	2005-06	39.5	28.4	29.4	31.8
	2006-07	37.6	30.8	33.4	34.2
Median Weekly Amounts Unclaimed	2005-06	29.0	22.8	24.2	25.7
	2006-07	31.6	26.1	26.6	28.9
					(Millions of Pounds)
Total Amount Claimed	2005-06	540	380	1,690	2,600
	2006-07	620	420	1,800	2,840
Total Range Unclaimed	2005-06	130 : 290	50 : 160	280 : 600	470 : 1,000
	2006-07	250 : 430	70 : 190	380 : 770	700 : 1,310
					(Percentages)
Take-Up Ranges	2005-06	65 : 80	71 : 88	74 : 86	72 : 85
	2006-07	59 : 72	69 : 85	70 : 83	68 : 80

Note

Comparisons over time for 'Pensioner Couples' should be treated with caution due to changes in bias.

Take-up by those pensioners who were eligible for both the Guarantee and Savings Credit elements of Pension Credit appeared to be higher than take-up of the Savings Credit component (Tables 2.7 and 2.8) and similar to the take-up of the Guarantee component of Pension Credit (Tables 2.3 and 2.4), although the ranges of take-up were lower. By caseload, it appeared that the take-up of pensioner couples was lower than for other family types. By expenditure, it is not possible to say which family type had the highest or lowest take-up rate of Guarantee and Savings Credit.

Between 2005-06 and 2006-07, there was evidence of a decrease in the caseload take-up of Guarantee and Savings Credit of around three percentage points. However, caution is required due to the high level of bias associated with the take-up of Guarantee and Savings Credit. For pensioner couples there was evidence of a fall in take-up although we cannot quantify the size of the change due to changes in bias. For single male pensioners there was no evidence of any change in take-up between the two years. Single female pensioners saw a decrease in take-up of around two to three percentage points.

It is possible that take-up of GC and SC would have remained level had Pension Credit applicable amounts not been increased at a higher rate than the Retirement Pension in April 2006.

Table 2.7: Caseload take-up of Savings Credit only

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Thousands)
Number of Recipients	2005-06	210	120	280	610
	2006-07	210	120	270	600
Range of Entitled Non-Recipients	2005-06	230 : 290	120 : 180	290 : 400	660 : 850
	2006-07	230 : 310	110 : 160	280 : 390	640 : 840
					(Percentages)
Take-Up Ranges	2005-06	42 : 48	40 : 49	41 : 49	42 : 48
	2006-07	40 : 48	42 : 51	42 : 49	42 : 49

Table 2.8: Expenditure take-up of Savings Credit only

	Year	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
					(Pounds)
Average Weekly Amounts Claimed	2005-06	12.0	9.7	10.0	10.6
	2006-07	13.9	11.0	11.3	12.1
Average Weekly Amounts Unclaimed	2005-06	9.0	7.7	8.1	8.4
	2006-07	10.1	8.3	9.4	9.5
Median Weekly Amounts Unclaimed	2005-06	8.3	7.8	8.5	8.3
	2006-07	9.4	7.6	9.9	9.4
					(Millions of Pounds)
Total Amount Claimed	2005-06	130	60	150	340
	2006-07	150	70	160	380
Total Range Unclaimed	2005-06	110 : 150	50 : 80	130 : 180	300 : 390
	2006-07	130 : 180	50 : 80	150 : 200	330 : 430
					(Percentages)
Take-Up Ranges	2005-06	48 : 54	44 : 52	45 : 53	47 : 53
	2006-07	46 : 55	47 : 56	45 : 52	47 : 54

The Savings Credit element of Pension Credit had the lowest rate of take-up. Take-up appeared to be around three-fifths of Guarantee Credit only take-up (Table 2.3 and 2.4). Due to overlapping ranges, we cannot be sure if take-up of the Savings Credit differed by family type, for either caseload or expenditure take-up.

Caseload take-up of the Savings Credit element appeared to have increased between 2005-06 and 2006-07 by at least one percentage point. By family type, there was also a marked increase in take-up for single male pensioners, although it is not possible to quantify the extent of the change due to changes in bias for this group. There was evidence of a fall of around two percentage points for pensioner couples. In contrast, there was insufficient evidence of any change for single female pensioners.

Examination of the evidence suggests that take-up of the Savings Credit may have increased further had applicable amounts not been uprated by a greater amount than Retirement Pension in April 2006. This held across all family types, especially single male pensioners.

Further analysis of those entitled to but not receiving Pension Credit

In this section we describe the characteristics of those who were entitled to PC but were not receiving it (ENRs). The FRS-based analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits – that is, they may be based on the data for those who appear to be ENRs but will not all actually be ENRs, for example, due to them receiving a subsequent backdated Pension Credit claim (for more on this see Chapter 6) – and so they should be treated with some caution. Nonetheless, where possible, results relate to those identified as ENRs in our modelling taking into account micro-level information indicating potential 'hidden' recipients of PC.

In practice, a significant proportion of those appearing to be ENRs will not be true ENRs, and a significant proportion of true ENRs may not be identified in our modelling. In the following further analysis, the sample of those entitled to Guarantee Credit only and Guarantee and Savings Credit have been combined and labelled as 'All Guarantee Credit'. This group corresponds to the group who were entitled to Minimum Income Guarantee prior to October 2003 and the two groups will therefore have similar characteristics. Where appropriate, we contrast those identified as ENRs with the characteristics of those who were entitled to and in receipt of Pension Credit and in doing so explore some of the possible causes of non-take-up. We have also drawn upon results of DWP social research in order to provide a better understanding of barriers to take-up.

Awareness of eligibility to Pension Credit

Research commissioned by the DWP in 2004 attempted to identify reasons why some pensioners were not taking up PC and tried to ascertain what steps DWP could take to remove these barriers. The report[6], number 234, focused on those who appeared to be ENRs of Pension Credit. It found that one reason for non-take-up may have been because pensioners were unaware of PC eligibility rules, and therefore not fully familiar with the circumstances in which they could claim. Of pensioners most likely to be ENRs, 13 per cent believed (wrongly) that if you live with your adult children, you cannot apply for Pension Credit. Also, 17 per cent thought that owning their own home would also make them ineligible for Pension Credit. Additionally, 14 per cent believed that those who receive financial help from their families would be barred from claiming Pension Credit. The most common reason for non-take-up of Pension Credit was that some older people felt that they would not be eligible: 20 per cent of probable ENRs thought that they were ineligible as they had other pensions; nine per cent thought that they had too much money; seven per cent gave the reason that they had savings; and six per cent stated that their income was too high. So although some eligible pensioners may want to claim Pension Credit, they could feel that these factors will prevent them from being eligible.

More recent qualitative research, published in 2006 and carried out by IFF Research Ltd[7], has provided further insight into the barriers that exist to claiming Pension Credit. This report, number 336, suggested that there are three primary barriers that prevent older people from claiming Pension Credit. These are: a belief that they are not eligible; a concern about how the receipt of Pension Credit would interact with other benefits they were currently receiving; and a lack of awareness of Pension Credit. The most common of these was the perceived ineligibility, for reasons such as they were working, were in receipt of a (small) occupational pension, that they could 'manage' and that they had been turned down for benefits in the past. Concern about interaction with other benefits centred on the perception that they would be worse off if they applied. The latter barrier, a lack of awareness of Pension Credit, was relatively minor in comparison to the first two.

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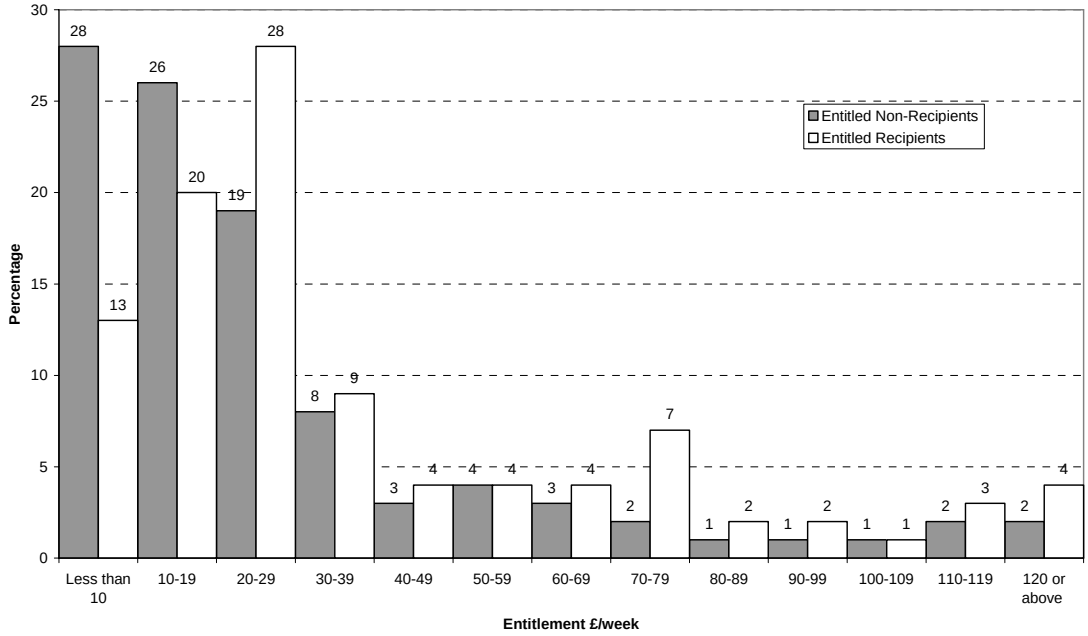
[6] *Encouraging take up: awareness of and attitudes to Pension Credit* Talbot, C., Adelman, L. & Lilly, R (ISBN 1 84 123 792 2) For a summary of this report see the following website: http://www.dwp.gov.uk/asd/asd5/summ2005-2006/234summ.pdf

[7] *Understanding the relationship between the barriers and triggers to claiming Pension Credit*. Bunt, K., Adams L. & Leo, C. (ISBN 1 84123 990 9) The report can be found at the following: http://www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep336.pdf

The research also found that there were a number of secondary barriers that worked to reinforce decisions not to apply. These centred on the application process and included such things as an unwillingness to disclose financial information and a complicated application process. Some of the issues described above, along with some others, are dealt with in the sections that follow.

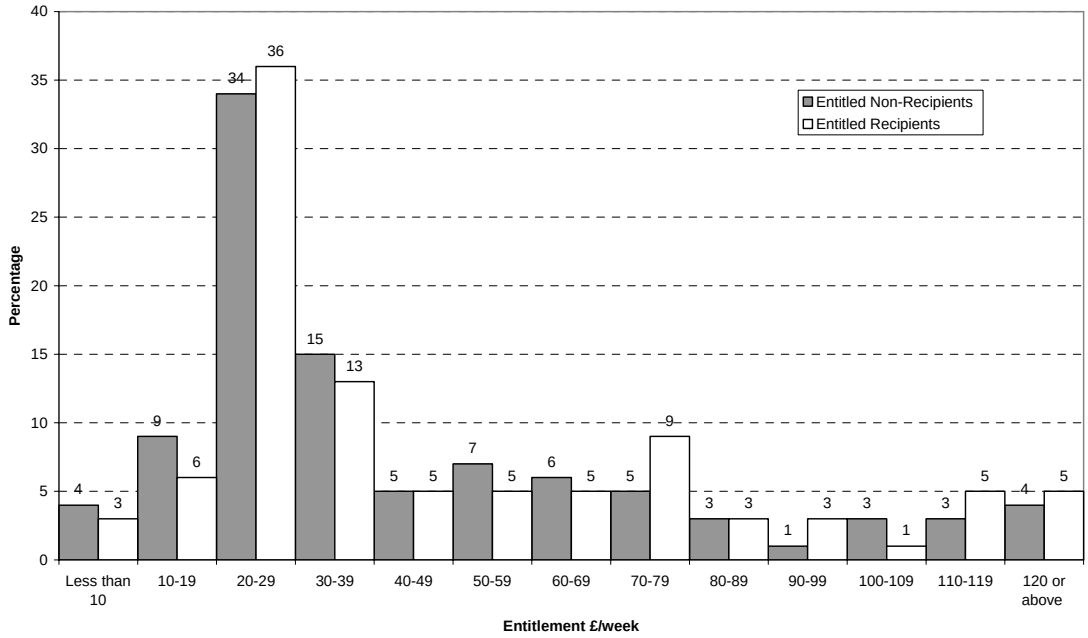
Amounts unclaimed

Figure 2.1: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Pension Credit



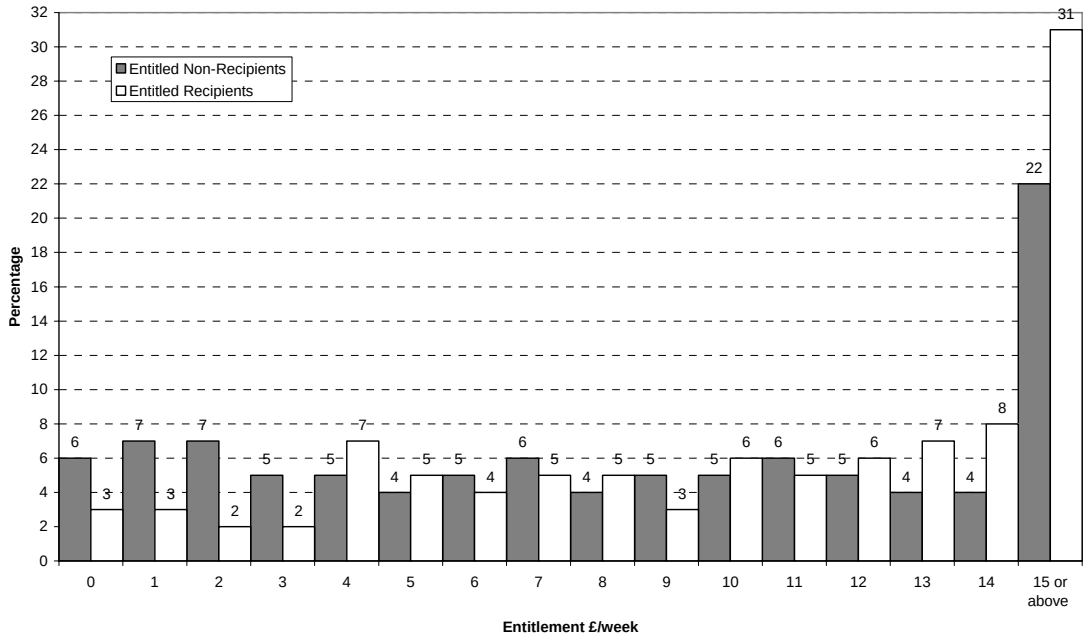
Note. Percentages have been rounded to the nearest whole number.

Figure 2.2: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to All GC



Note: Percentages have been rounded to the nearest whole number.

Figure 2.3: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Savings Credit only



Note: Percentages have been rounded to the nearest whole number.

Figure 2.1 shows that, on the whole, ENRs of Pension Credit tended to be entitled to smaller amounts than their ER counterparts, and shows that the distribution of amounts unclaimed was heavily skewed towards smaller amounts. Figure 2.2, which demonstrates entitlement amounts for those entitled to the Guarantee element (with or without the Savings Credit element), shows that the picture is not as clear for this group. There was a large group of both ENRs and ERs who were in the entitlement band '£20 to £29 per week'. A large proportion of these were pensioners who had income at or just above the Basic State Pension. Figure 2.3 shows that for Savings Credit, while unclaimed amounts tended to be fairly evenly distributed, claimed amounts were skewed towards larger amounts.

Pension Credit ENRs were twice as likely than ERs to be in the 'less than £10' per week entitlement band. At the upper end of entitlement, ERs were twice as likely to be entitled to £60 per week or more compared with ENRs.

This suggests that one possible reason why people do not take-up benefit is because they regard the amounts they might receive as not worth the effort of claiming. However, IFF's research found that the consideration of the amount they could receive was only a minor barrier to claiming Pension Credit. It was found that older people had very limited awareness of the range of Pension Credit entitlements and were unaware that it could be awarded at different levels. The research suggested that a more likely barrier was perceived ineligibility. It may therefore be the case that those pensioners with lower entitlement amounts may be less confident of their entitlement, perceiving themselves to be ineligible, and therefore do not claim. Whatever the reason, 16 per cent of PC ENRs were entitled to less than £5 per week compared with six per cent of ERs.

The DWP research report number 234, mentioned above, found that 63 per cent of those most likely to be ENRs said that they would claim if they knew that they would be entitled to up to £5 per week and 77 per cent said that they would claim if they knew that they would receive £15 per week or more. This suggests that around one-in-five ENRs would remain highly resistant to applying for Pension Credit irrespective of any amount they might receive.

Age profile

In this section we look at how age may affect the take-up of Pension Credit, particularly focusing on those ENRs and ERs who were aged 80 and over.

Table 2.9: Percentage of Entitled Non-Recipients and Entitled Recipients aged over 80 by family type

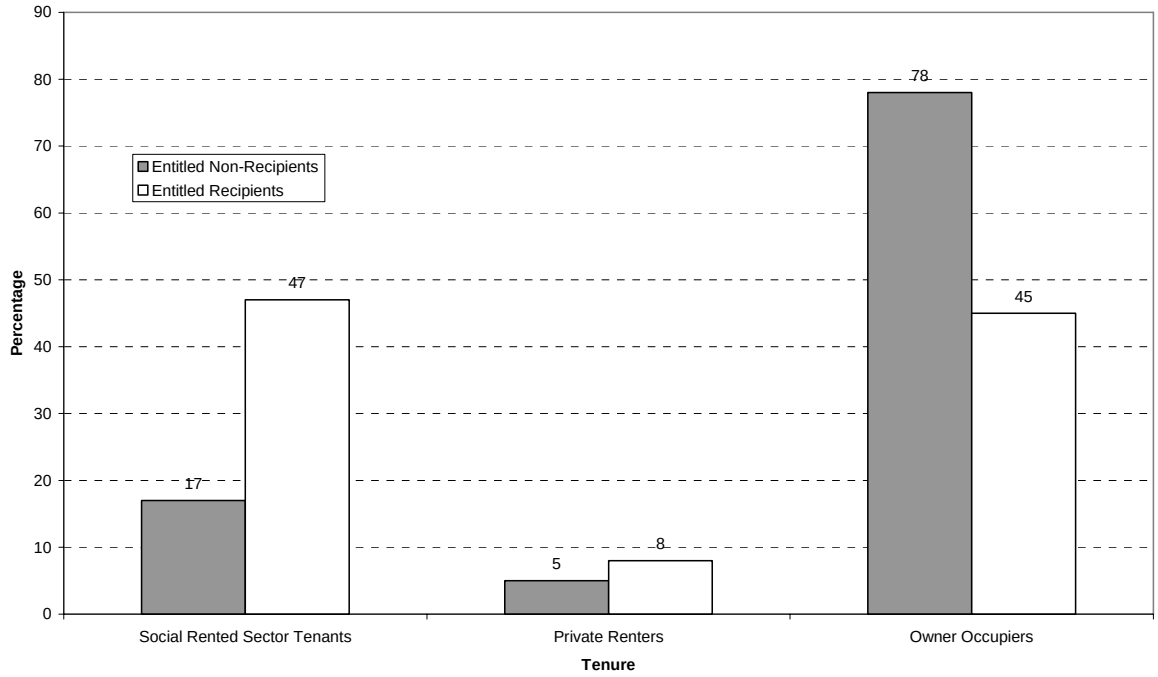
	Pension Credit		All Guarantee Credit		Savings Credit only	
	ENRs	**ERs**	**ENRs**	**ERs**	**ENRs**	**ERs**
Pensioner couples	19%	25%	15%	22%	23%	30%
Single males	38%	22%	37%	21%	39%	28%
Single females	46%	43%	45%	44%	48%	40%
All pensioners	**35%**	**35%**	**33%**	**35%**	**36%**	**34%**

Table 2.9 shows that for all pensioners, the proportions of ERs and ENRs of Pension Credit where the oldest member of the benefit unit was aged 80 or over were estimated to be equal in 2006-07, at 35 per cent. This did not hold for all Pension Credit types. For all Guarantee Credit, ERs were slightly more likely than ENRs to be aged 80 or over. In contrast, the reverse was true for Savings Credit.

By family type, pensioner couple ERs were more likely to be aged 80 or over than their non-recipient counterparts. This held for PC as a whole and for both Pension Credit types. For single pensioners, the reverse was true, whereby ENRs were more likely to be aged 80 or over compared with ERs.

Tenure profile

Figure 2.4: Percentage of Entitled Non-Recipients and Entitled Recipients of Pension Credit by tenure type



Note: Percentages have been rounded to the nearest whole number. Please note that the definitions used in this chart have changed since our 2005-06 publication. See Chapter 6 for more details.

Following consultation with users and in line with harmonised definitions across government surveys, a new tenure type definition has been introduced into the publication for the first time. Social Rented Sector Tenants include those who rent their accommodation from the Local Authority Council, or from a Registered Social Landlord or Housing Association. The Private Tenant category includes those who privately rent their accommodation. For more details on the change, and how this has affected estimates of take-up, see Chapter 6.

Figure 2.4 shows that 17 per cent of ENRs of Pension Credit were Social Rented Sector Tenants compared with 47 per cent of ERs; five per cent of ENRs were private renters compared with eight per cent of ERs; and 78 per cent of ENRs were owner-occupiers compared with 45 per cent of ERs. It is possible that this large difference between ERs and ENRs who were owner-occupiers was due to some pensioners believing that they were not eligible for Pension Credit if they owned their own home.

Other income

Another possible explanation for non-take-up is that ENRs manage with other sources of income. The IFF research quoted above found that one reason for perceived ineligibility was that they were able to 'cope' with the income they had.

For Pension Credit as a whole, 74 per cent of single pensioner ENRs had other income (excluding Housing Benefit and Council Tax Benefit) of more than £105 per week compared with 63 per cent of ERs (excluding Pension Credit). This suggests that, for single people entitled to Pension Credit, the existence of significant amounts of other income may be a factor in their decision not to claim. The same applies when looking at pensioner couples, where 85 per cent of Pension Credit ENRs and 76 per cent of ERs had other income exceeding £150 per week. This suggests that the existence of significant amounts of other income may dissuade ENRs from claiming Pension Credit.

By looking in more detail at the family type split of pensioners we find that, for certain groups, the differences between ENRs and ERs appear to be greater than for others. For Pension Credit overall, 87 per cent of single male pensioner ENRs of PC had other income greater than £75 per week; this compares with 83 per cent of ERs. The corresponding figures for single female pensioners were both 92 per cent.

The previous analysis includes income that is taken into account when working out entitlement to Pension Credit, so it focuses on those with smaller entitlements. If we define 'other income' as all the benefits that are ignored when entitlement to Pension Credit is assessed (such as Housing Benefit, Council Tax Benefit, Attendance Allowance and Disability Living Allowance), then we can get some idea whether ENRs were more or less likely to try to manage with the benefit income they already had.

For single pensioners, seven per cent of ENRs and 32 per cent of ERs had benefit income of more than £75 per week. For pensioner couples, six per cent of ENRs and 16 per cent of ERs had benefit income that was greater than £100 per week. This suggests that ENRs may not be trying to manage with the benefit income they already receive. In fact, those with higher benefit income may be more aware of their entitlement through contact with the benefits system and therefore more willing and likely to claim PC.

One further reason why ENRs might not claim their entitlement is because they believe having 'other pensions' prevents them from being entitled to Pension Credit. This was a finding of the report number 336 quoted above. Table 2.10 (below) shows that ENRs were more likely to be in receipt of an occupational pension than ERs, which, if they believed this made them ineligible, may have contributed to their decision not to claim Pension Credit.

Table 2.10: Percentage of ENRs and ERs who were in receipt of an occupational pension by PC type

Pension Credit Type	Entitled Non-Recipients	Entitled Recipients
Pension Credit	36%	20%
All Guarantee Credit	24%	13%
Savings Credit only	49%	38%

Whether claiming Housing Benefit

Another difference between ERs and ENRs of Pension Credit was in the percentages who were claiming their entitlement to Housing Benefit (which is only available to renters) in addition to any entitlement that they had to PC.

Table 2.11: Percentage of ENRs and ERs who were in ENRs and ERs of Housing Benefit, by PC type

Pension Credit Type	PC Entitled Non-Recipients		PC Entitled Recipients	
	ENRs of Housing Benefit	ERs of Housing Benefit	ENRs of Housing Benefit	ERs of Housing Benefit
Pension Credit	36%	41%	5%	87%
All Guarantee Credit	40%	41%	4%	88%
Savings Credit only	32%	42%	8%	85%

Table 2.11 shows that we found that 87 per cent of ERs of Pension Credit as a whole, who were also renters, were in receipt of Housing Benefit compared with only 41 per cent of PC ENRs. Thirty-six per cent of ENRs of Pension Credit were also ENRs of Housing Benefit compared with only five per cent of entitled Pension Credit recipients. These proportions were similar when looking at ENRs and ERs of All Guarantee Credit and Savings Credit separately.

Whether claiming Council Tax Benefit

Similar to the previous section, we have examined the differences between ERs and ENRs of Pension Credit in terms of the percentages of each group who were claiming their entitlement to Council Tax Benefit in addition to any entitlement that they had to PC.

Table 2.12: Percentage of ENRs and ERs who were in ENRs and ERs of Council Tax Benefit, by PC type

Pension Credit Type	PC Entitled Non-Recipients		PC Entitled Recipients	
	ENRs of Council Tax Benefit	ERs of Council Tax Benefit	ENRs of Council Tax Benefit	ERs of Council Tax Benefit
Pension Credit	63%	17%	13%	79%
All Guarantee Credit	64%	17%	11%	81%
Savings Credit only	63%	18%	19%	72%

Table 2.12 shows that we found that 79 per cent of ERs of Pension Credit as a whole were in receipt of Council Tax Benefit compared with only 17 per cent of PC ENRs. Sixty-three per cent of ENRs of Pension Credit were also ENRs of Council Tax Benefit compared with 13 per cent of entitled Pension Credit recipients. These proportions were similar when looking at ENRs and ERs of All Guarantee Credit and Savings Credit separately.

Living with other benefit units

A further possible explanation for non-take-up of Pension Credit is that ENRs may share resources with others living in the same household. Additionally, as indicated by the research quoted earlier, this may lead potentially entitled pensioners to believe they are ineligible for Pension Credit. Overall, 18 per cent of ENRs and 15 per cent of ERs shared their household with other benefit units. The components of PC show that 19 per cent of ENRs and 16 per cent of ERs of All Guarantee Credit were living with other benefit units in the household. This compares with 17 per cent and 12 per cent respectively for Savings Credit only.

Of the ENRs living in households with more than one benefit unit, 75 per cent lived with benefit units with more than £150 per week of gross income. This compares with 67 per cent in the case of ERs living with other benefit units.

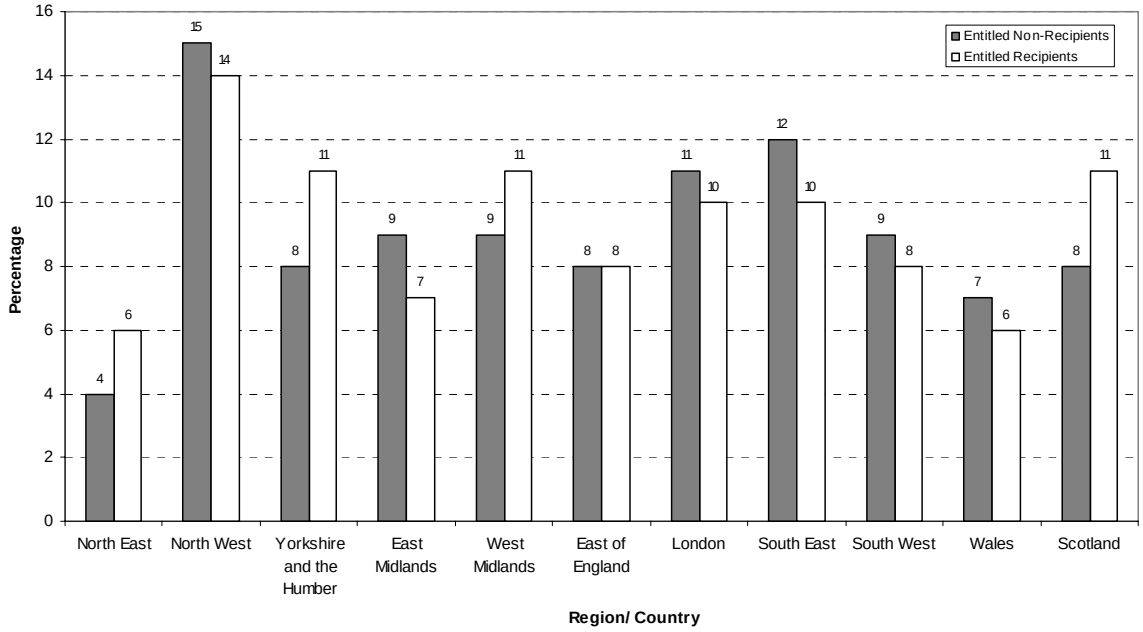
This gap between ENRs and ERs was similar in size for the Guarantee Credit element and much smaller for the Savings element of Pension Credit. This suggests that the benefit units living with ERs tended to have less gross income (and therefore less resources to share) than their counterparts who lived with ENRs, possibly contributing to their decision to claim.

Region/Country

Figure 2.5 presents the distribution of ENRs and ERs by region/country. The numbers above the bars shaded grey show what proportion of ENRs lived in each region/country, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs lived in each region/country. Readers should therefore bear in mind that an equal percentage of ENRs and ERs in any region does not mean that there is the same *number* of benefit units in that category.

The North West area had the largest estimated proportion of both ENRs and ERs. There were proportionately more ENRs than ERs in the North West, the South East, London, the East Midlands, the South West and Wales, indicating that take-up may have been lower in these areas in 2006-07. However, the differences were not large.

Figure 2.5: Entitled Non-Recipients and Entitled Recipients of Pension Credit by Region/Country



Note: This chart is based on a combination of 2005-06 and 2006-07 data. Percentages have been rounded to the nearest whole number.

Disability

Seventy-one per cent of ERs had at least one disabled person in the benefit unit (please refer to the glossary for the definition of 'disabled'), compared with 58 per cent of ENRs. This suggests that disability may have been a factor in the take-up of Pension Credit in 2006-07.

Marital status

The DWP research report 234 also found that pensioners who were divorced, separated or widowed were more likely to claim their entitlement to Pension Credit than others, perhaps suggesting that pensioners without the support of their former partner are likely to feel vulnerable and in need of help from others. Evidence from the FRS (displayed below in Table 2.13) supports this finding with a greater proportion of ERs being divorced, widowed or separated compared with ENRs.

Table 2.13: Percentage of ENRs and ERs who are either divorced, widowed or separated by PC type

Pension Credit type	Entitled Non-Recipients	Entitled Recipients
Pension Credit	55%	68%
All Guarantee Credit	56%	71%
Savings Credit only	53%	61%

Attitudes towards Pension Credit

Attitudes towards Pension Credit may be another cause of non-take-up amongst entitled pensioners. The DWP research report 234 mentioned above found that 45 per cent of those most likely to be

ENRs believed that the government is doing more for pensioners on low income. However, it was also found that around three-quarters of possible ENRs studied believed that the state benefit system does not reward those who save for their retirement, indicating a possible lack of awareness about the Savings Credit element of Pension Credit or the amount that it could offer. Only 47 per cent believed that they would be better off if they received Pension Credit. However, 78 per cent of those who had claimed Pension Credit said they were now better off.

The IFF research found that one of the secondary barriers to claiming was the opinion that pensioners should not have to ask for financial assistance that they needed. Some of those interviewed had a particular concern about having to apply for a benefit in case they were subsequently turned down, as they felt this would make them appear 'greedy'.

The percentage of Entitled Non-Recipients and Entitled Recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs of Pension Credit and its components, who were living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median is the income below which half the population lie. This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[8].

Since 2005-06, HBAI's measurement of the income distribution has been based on incomes in the UK as a whole, and use the OECD equivalisation scale. This comes from the 2004 Spending Review that stipulated that the child poverty measure should be measured on these bases.

This section compares those in Great Britain on the take-up dataset against the UK median based on OECD equivalisation using the HBAI dataset. Take-up estimates are presented for the population in Great Britain, but the definition of 'low income' has used the UK median to be consistent with low-income estimates published in the 'Households Below Average Income' report. Previous analysis has shown that the inclusion of Northern Ireland produces estimates that are virtually indistinguishable whether using GB or UK medians. The position of some ENRs and ERs in the income distribution may have been affected by the incomes of other household members. Figures are calculated both Before Housing Costs (BHC) and After Housing Costs (AHC) for 2005-06 and 2006-07.

Table 2.14: Percentage of ENRs and ERs of Pension Credit below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioners	**ENRs**	2005-06	63%	52%
		2006-07	67%	56%
	ERs	2005-06	32%	30%
		2006-07	33%	32%

Table 2.14 shows that, in 2006-07, around two-thirds of pensioners who were entitled to but were not receiving Pension Credit lived in low-income households on the Before Housing Costs measure. This

[8] *Households Below Average Income (HBAI) 1994/95-2006/07*, (2008) DWP. For access to the publication see the following website: http://www.dwp.gov.uk/asd/hbai.asp

was just under three-fifths on an After Housing Costs basis. For ERs of the benefit, around one-third were in low-income households on both a Before and After Housing Costs basis.

Table 2.15: Percentage of ENRs and ERs of All Guarantee Credit below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioners	**ENRs**	2005-06	71%	68%
		2006-07	75%	75%
	ERs	2005-06	31%	34%
		2006-07	33%	37%

Table 2.15 shows that, on a Before Housing Costs basis, around three quarters of ENRs of Guarantee Credit were in households below 60 per cent of median income in 2006-07, whereas around one-third of ERs of All GC were in this position. These proportions were similar on the After Housing Costs measure.

Table 2.16: Percentage of ENRs and ERs of Savings Credit only below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioners	**ENRs**	2005-06	56%	36%
		2006-07	60%	38%
	ERs	2005-06	33%	19%
		2006-07	31%	19%

Table 2.16 shows that the estimates of ENRs and ERs of Savings Credit only Before and After Housing Costs were lower than for All Guarantee Credit and Pension Credit as a whole. Three-fifths of ENRs were below 60 per cent of contemporary median income on the Before Housing Costs measure; this fell to just under two-fifths after housing costs were deducted from income. ERs of Savings Credit were less likely to be below this threshold on both the Before and After Housing Costs measures.

Following consultation with users, for this 2006-07 edition, tables showing the position of ERs and ENRs in the income distribution have been removed.

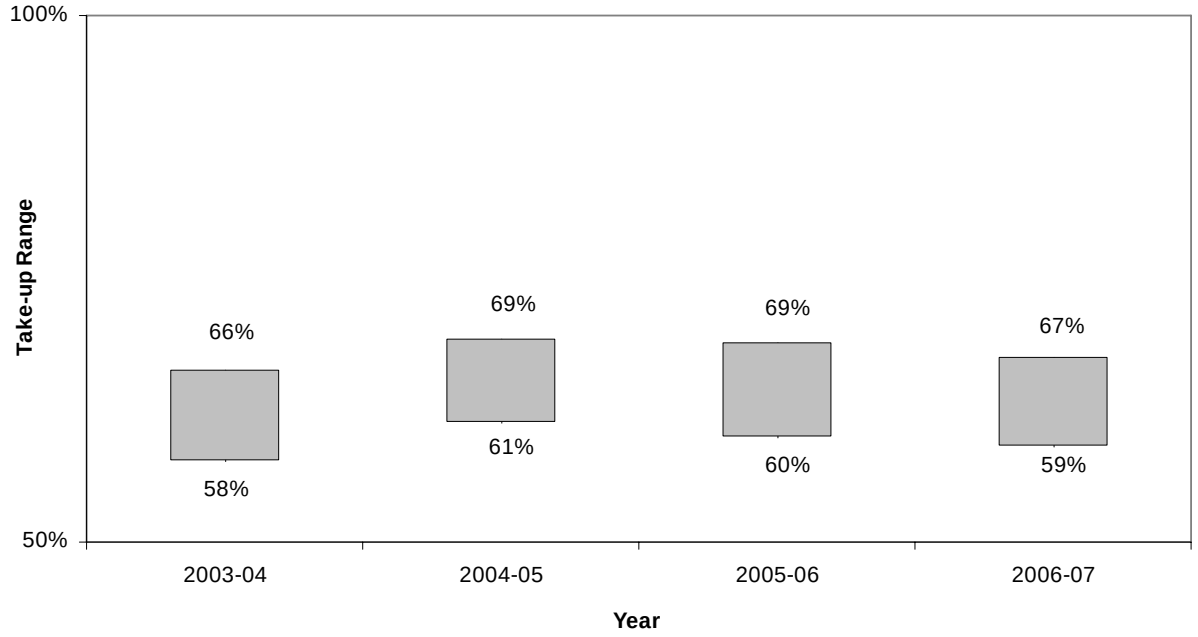
Trends in take-up over time

The following section focuses on caseload take-up of Pension Credit since its introduction in 2003-04, and highlights any changes in caseload take-up since then.

Comparing take-up over time is not straightforward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Additionally, the ranges overlap from one year to the next.

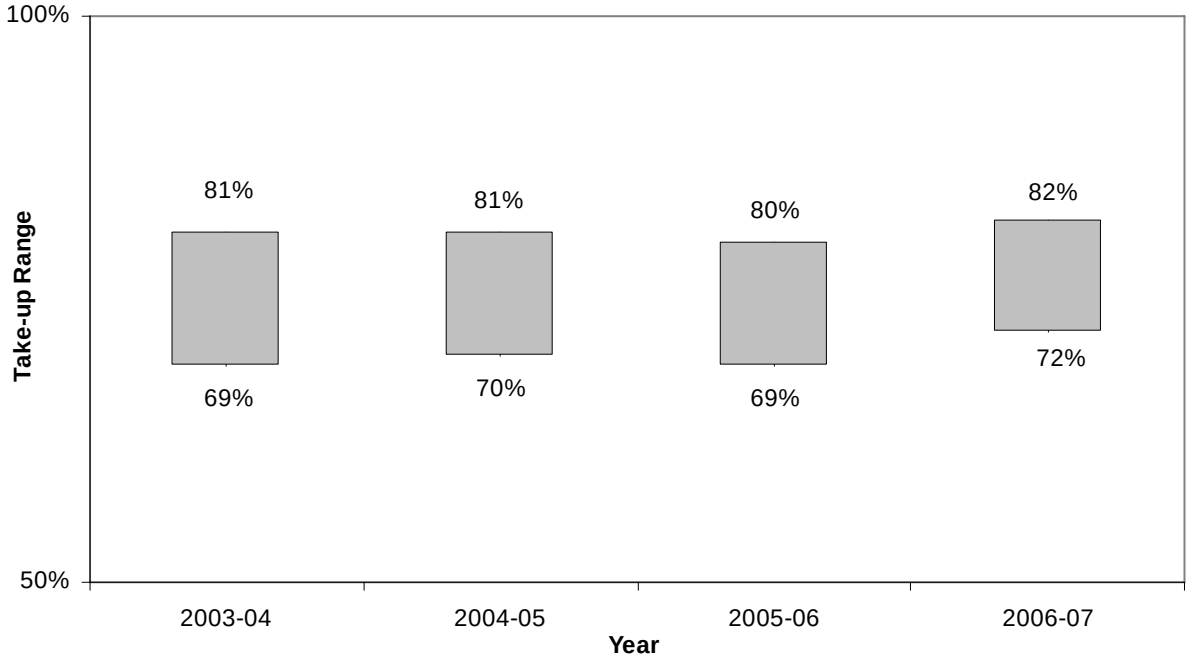
The methodology used to determine the direction and extent of take-up has been changed to make it more consistent, and gives a more accurate reflection of the level of change. As a result, the changes may differ from conclusions given in previous publications. The statements made below allow for the above complications as best we can.

Figure 2.6: Pattern over time in caseload take-up of Pension Credit



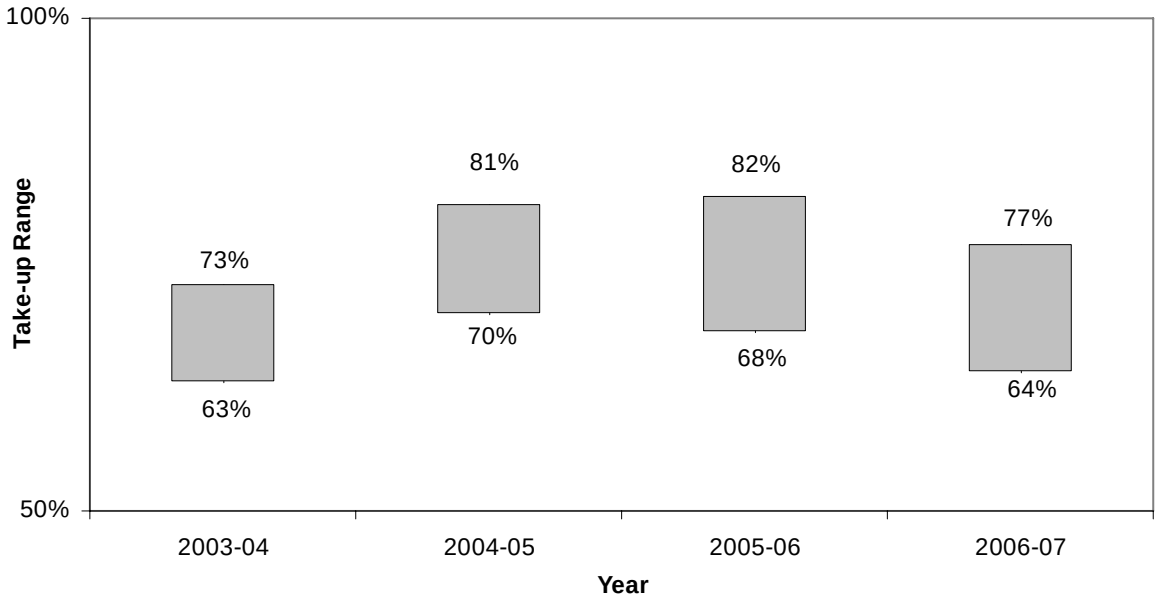
Since 2003-04 there was evidence of an increase of around seven to eight percentage points for Pension Credit as a whole. An analysis of take-up among only those pensioners who would have been entitled if Pension Credit applicable amounts had not been increased in real terms between 2003-04 and 2006-07 suggests take-up increased by a greater extent, possibly by around nine percentage points. This implies that there was a relatively low take-up by those pensioners brought into entitlement by higher applicable amounts.

Figure 2.7: Pattern over time in caseload take-up of Guarantee Credit



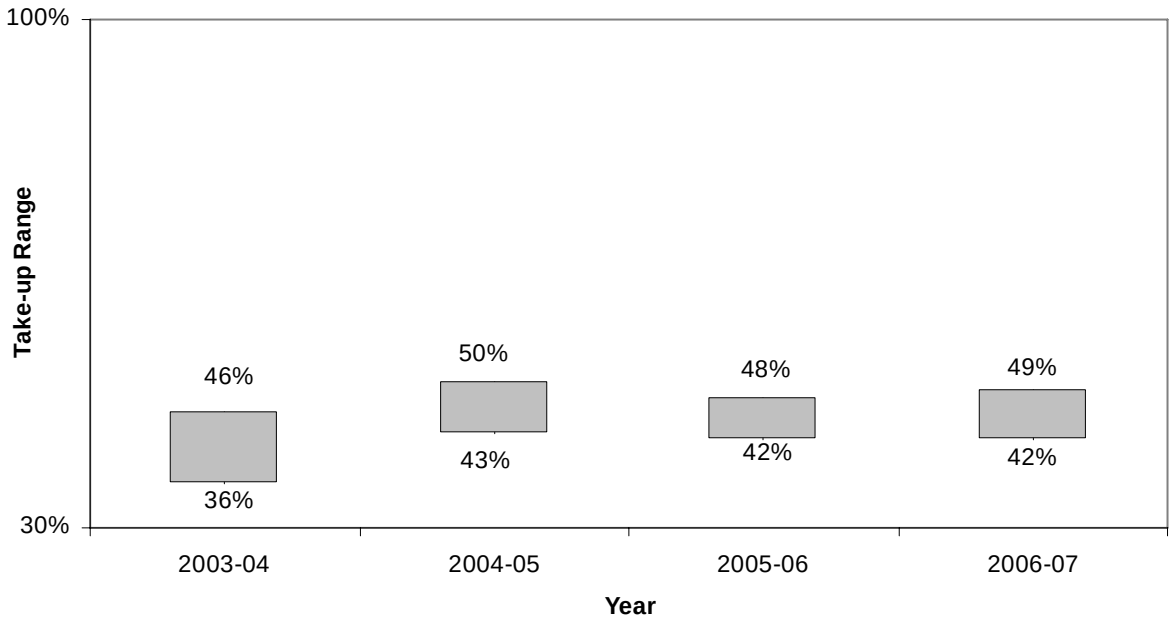
Since 2003-04, there appeared to be no evidence of any change in the take-up of the Guarantee element of Pension Credit. An analysis of take-up among only those pensioners who would have been entitled if Pension Credit applicable amounts had not been increased in real terms between 2003-04 and 2006-07 suggests take-up may have remained level for this group.

Figure 2.8: Pattern over time in caseload take-up of Guarantee and Savings Credit



Since 2003-04, there was evidence to suggest that there was an increase in take-up of the Guarantee and Savings element, although we cannot be sure due to high levels of bias for this group. An analysis of take-up among only those pensioners who would have been entitled if Pension Credit applicable amounts had not been increased in real terms between 2003-04 and 2006-07 suggests take-up increased by around four percentage points for this group.

Figure 2.9: Pattern over time in caseload take-up of Savings Credit only



Since 2003-04, there was evidence to suggest an increase in take-up, possibly by at least six percentage points, for the Savings Credit element of Pension Credit. An analysis of take-up among only those pensioners who would have been entitled if Pension Credit applicable amounts had not been increased in real terms between 2003-04 and 2006-07 suggests take-up of the Savings Credit would have increased by more than this. This implies that there was a relatively low take-up by those pensioners brought into entitlement by higher applicable amounts.

Figure 2.10: Pattern over time in caseload take-up of Income Support/Minimum Income Guarantee and Guarantee Credit (with or without Savings Credit)

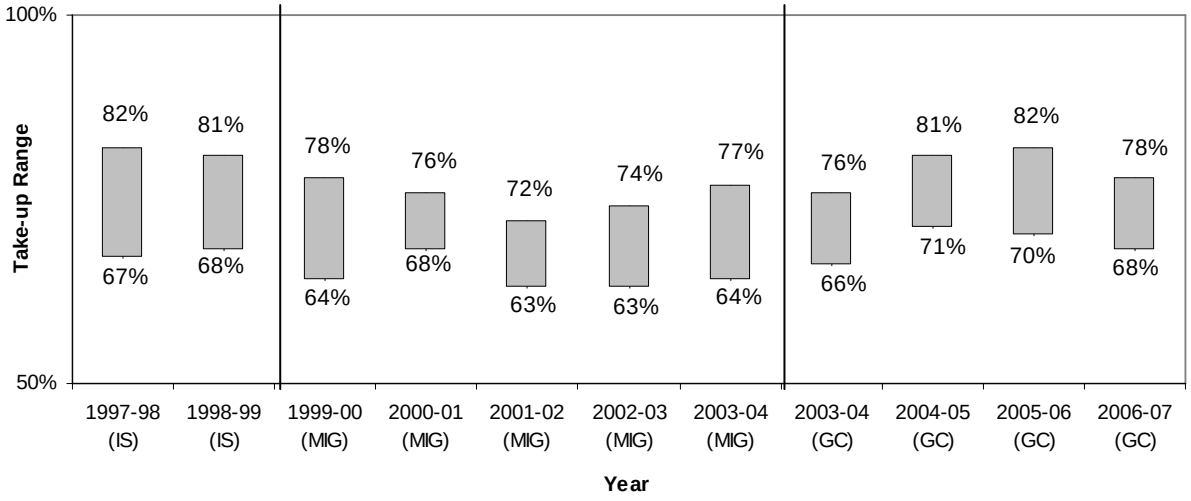


Figure 2.10 shows the take-up of Income Support, the Minimum Income Guarantee and the Guarantee Credit element of Pension Credit (with or without the Savings Credit element) over the period 1997-98 to 2006-07. Caution should be employed when interpreting the chart, as the benefits and biases associated with measuring the take-up of these benefits has changed over time.

Chapter 3

Housing Benefit

Key results

All Housing Benefit

- **Caseload take-up**: between 81% and 87% overall
- **Expenditure take-up**: between 86% and 92% overall
- **Change since 2005-06**: there was evidence of a decrease in overall of around one percentage point take-up between 2005-06 and 2006-07
- **Change since 1997-98**: there was evidence to suggest there was a fall in take-up of at least four percentage points

Pensioners

- **Caseload take-up**: between 82% and 89%
- **Expenditure take-up**: between 87% and 93%
- **Change since 2005-06**: there was no evidence of any change in caseload take-up
- **Change since 1997-98**: there was evidence of a fall of at least one percentage point

Non-pensioners

- **Caseload take-up**: between 79% and 87%
- **Expenditure take-up**: between 84% and 92%
- **Change since 2005-06**: there was evidence to suggest caseload take-up has fallen by around one percentage point, although we cannot be sure due to changes in certain types of bias.
- **Change since 1997-98**: there was evidence to suggest that there has been a fall in caseload take-up of at least six percentage points.

Characteristics of Entitled Non-Recipients (ENRs)

- **Amounts unclaimed**: On average, ENRs tended to be entitled to lower amounts than Entitled Recipients (ERs)
- **Claiming Council Tax Benefit**: ninety-three per cent of ERs were also Entitled Recipients of Council Tax Benefit. This compares with eight per cent of HB ENRs

- **Employment status**: thirty-three per cent of ENRs had at least one adult in full-time work compared with only three per cent of Entitled Recipients
- **Recent change in accommodation**: fifty-eight per cent of ENRs had moved into their property in the previous six months, compared with 47 per cent of ERs
- **Tenure profile**: fifty-nine percent of non-pensioner ENRs privately rented their residence; in comparison, 18 per cent of pensioner ENRs were renting privately
- **Region/Country**: the greatest proportion of both ENRs and ERs of Housing Benefit (HB) lived in London
- **Disability**: Seventy-four per cent of pensioner Entitled Recipients had a disabled person in the benefit unit, compared with 64 per cent of pensioner Entitled Non-Recipients. For non-pensioner benefit units, the equivalent figures were 55 per cent and 24 per cent
- **Percentage living in low-income households**: less than half of pensioner ENRs lived in low-income households Before Housing Costs; this was more than three-fifths After Housing Costs. For non-pensioners, just under three-in-five non-pensioner ENRs were in low-income households BHC; After Housing Costs just over four-fifths of non-pensioner ENRs lived in low-income households

Introduction

Housing Benefit is paid to people on low incomes who rent their home. It is paid to renters who claim the benefit once assessed as being eligible, whether or not the claimant is in full-time work, and may be paid alongside other means-tested benefits or on its own. In 2006-07 all non-pensioners and those pensioners not in receipt of the Guarantee Credit element of Pension Credit, who had capital in excess of £16,000, were not entitled to Housing Benefit. It was reduced for those with capital holdings of £6,000 or more. Pensioners who were in receipt of the Guarantee Credit element of Pension Credit may have been entitled to Housing Benefit regardless of the amount of capital they held.

Guide to tables

Take-up statistics for Housing Benefit are presented in three main sets of tables. The first set, Tables 3.1 and 3.2, present take-up estimates by caseload and expenditure respectively for different family types. The second set, Tables 3.3 and 3.4, show caseload and expenditure take-up estimates in terms of different tenure arrangements. Note that the tenure type 'Social Rented Sector Tenants' includes those renting from Local Authorities, Housing Associations and Registered Social Landlords (see Chapter 6 for more details). Tables 3.5 and 3.6 present take-up estimates for benefit units where at least one member is in employment, or where nobody in the benefit unit is in employment. Readers should note that these tables show estimates for non-pensioners only, and "in employment" is defined as where the benefit unit is recorded as containing anybody who has received any earned income or at the time of interview or HB claim was working for any number of hours.

Readers will notice that components do not always sum to totals in the tables. This is because 95 per cent confidence intervals have been calculated separately for components and totals to reflect sampling error. In common with the other benefits, Housing Benefit take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of quantifiable biases in the baseline figures. Where ranges are wide, uncertainties as to biases account for the major part.

Additional tables in the 'Further Analysis' section give an indication of what proportion of Entitled Non-Recipients and Entitled Recipients of Housing Benefit in Great Britain had incomes below 60 per cent of contemporary median income. In response to user demand, analyses looking at where ENRs and ERs were in the income distribution (by quintile) have been dropped from this publication. The section also provides a comparison of the characteristics of Entitled Non-Recipients with those of Entitled Recipients and, in doing so, explores some of the possible reasons for non-take-up. Geographical and disability comparisons are provided for the first time.

Technical note on the results in this chapter

Following consultation with users, and in line with harmonised definitions across government statistics, we have changed the definition of the tenure type splits that are used in this publication. In the 2005-06 and previous editions, those renting from Registered Social Landlords and Housing Associations were included in the private renters category. For 2006-07, these have been included in the Social Rented Sector category, along with those renting from the Local Authority. In 2006/07, according to the Family Resources Survey, there were around 2.5 million benefit units who were renting and living in RSL/HA accommodation, out of a total renter population of 9.2 million. This 2.5 million have therefore been moved from the private renter group, to the social rented sector group.

In order to allow a consistent comparison between 2005-06 and 2006-07, estimates for 2005-06 have been recalculated for 2005-06 using the same definitions. See Chapter 6 for more details.

It has not proved possible to adjust the estimates for the potential problem of capital misreporting highlighted in the DWP research report "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"[9]. As a result, estimates for take-up amongst pensioners may be understated. See Chapter 6 for further details.

In addition to the deficiencies that may affect estimates of numbers of Entitled Non-Recipients, it is possible that the estimates presented may understate take-up as a result of undercounting all recipients. This is because of a suspected undercount in the administrative caseload figures, arising from a number of claims awaiting a final decision who go on to receive an award that may be backdated to the point of entitlement. The majority of these claims are new claims, although some are existing claims that are being renewed. Estimates of take-up, expressed as a percentage rate, may be depressed by up to half a percentage point for singles with children, up to one percentage point for others and two percentage points for couples with children. For social rented sector tenants, the estimates may be depressed by up to half a percentage point and for private renters by up to one percentage point.

Additionally, the estimates may further understate take-up for pensioners as a result of new backdating rules that were introduced halfway through 2003-04, which meant that Housing Benefit could be backdated more readily than previously. See Chapter 6 for further details. It is not possible to say whether the suspected undercount, accounted for in the previous paragraph, has captured the effect of the new backdating rules.

Estimates of unclaimed amounts should be treated with caution. This is because the sample sizes for estimated Entitled Non-Recipients, on which the figures are based, tend to be small. Particular caution should be taken with expenditure-based results for private renters. This is because analysis shows that there is a large difference between the amounts of modelled entitled and amounts claimed for those in receipt for these groups.

[9] *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0) For a summary of this report see the following website: http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf

Results

Table 3.1: Caseload take-up of Housing Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups: Couples with Children	Non-Pensioner groups: Single with Children	Non-Pensioner groups: Others	All
							(Thousands)
Number of Recipients	2005-06	1,620	2,340	240	890	1,210	3,960
	2006-07	1,590	2,380	280	890	1,210	3,960
Range of Entitled Non-Recipients	2005-06	200 : 310	310 : 500	60 : 90	50 : 120	180 : 300	520 : 790
	2006-07	200 : 350	360 : 630	100 : 180	60 : 140	180 : 330	570 : 950
							(Percentages)
Take-Up Ranges	2005-06	84 : 89	83 : 88	72 : 81	88 : 95	80 : 87	83 : 88
	2006-07	82 : 89	79 : 87	60 : 74	86 : 94	78 : 87	81 : 87

Table 3.2: Expenditure take-up of Housing Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups: Couples with Children	Non-Pensioner groups: Single with Children	Non-Pensioner groups: Others	All
							(Pounds)
Average Weekly Amounts Claimed	2005-06	55.3	64.9	69.6	70.2	60.1	61.0
	2006-07	60.7	70.6	73.7	75.4	66.3	66.6
Average Weekly Amounts Unclaimed	2005-06	38.3	47.4	48.5	43.7	48.5	44.0
	2006-07	39.5	46.4	51.0	43.1	45.3	44.0
Median Weekly Amounts Unclaimed	2005-06	36.0	41.1	45.1	29.3	41.9	38.5
	2006-07	39.0	39.8	50.3	37.8	34.8	39.1
							(Millions of Pounds)
Total Amount Claimed	2005-06	4,650	7,900	860	3,250	3,780	12,540
	2006-07	5,010	8,730	1,060	3,490	4,170	13,740
Total Range Unclaimed	2005-06	370 : 660	710 : 1,310	130 : 260	100 : 320	420 : 840	1,130 : 1,890
	2006-07	380 : 770	810 : 1,610	240 : 530	120 : 350	380 : 870	1,250 : 2,280
							(Percentages)
Take-Up Ranges	2005-06	88 : 93	86 : 92	77 : 87	91 : 97	82 : 90	87 : 92
	2006-07	87 : 93	84 : 92	67 : 82	91 : 97	83 : 92	86 : 92

Note:

Estimates of the 2005-06 Average Weekly Amount Claimed and the Total Amount Claimed have been revised due to a change to the underlying administrative data. See Chapter 6 for further details.

Couples with children had lower take-up than pensioners, singles with children and others. These results held on both the caseload and expenditure measures of take-up. It is not possible to state which group had the highest level of take-up amongst the family types due to the fact that the ranges of take-up overlapped each other on both caseload and expenditure measures.

Any change in take-up of Housing Benefit for pensioners between 2005-06 and 2006-07 will be influenced by the rate of take-up amongst those who would have been entitled in both years and the rate of take-up amongst those who became newly entitled in 2006-07. Detailed examination of the data suggests that there was no evidence of any change in take-up among the former subgroup. Similarly, there appeared to be no change in overall take-up between 2005-06 and 2006-07. For non-pensioners, there was evidence to suggest caseload take-up has fallen by around one percentage point, although we cannot be sure due to changes in certain types of bias.

There was evidence of a decrease in take-up for couples with children, although it is not possible to quantify the size of the decrease due to changes in certain types of bias. For singles with children,

there was no evidence of any change in take-up between 2005-06 and 2006-07. Similarly, there was no evidence to suggest that take-up by 'others' had changed between reporting years.

Overall there was evidence to suggest there was a slight fall in the take-up of Housing Benefit between 2005-06 and 2006-07 of around one percentage point.

Table 3.3: Caseload take-up of Housing Benefit by tenure type

	Year	Social Rented Sector Tenants	Private Renters	All
				(Thousands)
Number of Recipients	2005-06	3,160	800	3,960
	2006-07	3,110	860	3,960
Range of Entitled Non-Recipients	2005-06	270 : 430	240 : 370	520 : 790
	2006-07	260 : 480	300 : 500	570 : 950
				(Percentages)
Take-Up Ranges	2005-06	88 : 92	68 : 77	83 : 88
	2006-07	87 : 92	63 : 74	81 : 87

Note:

Estimates of the 2005-06 Number of Recipients, the Range of Entitled Non-Recipients and the take-up ranges for Social Rented Sector Tenants and Private Renters have been revised due to a change in definition. See Chapter 6 for more details.

Table 3.4: Expenditure take-up of Housing Benefit by tenure type

	Year	Social Rented Sector Tenants	Private Renters	All
				(Pounds)
Average Weekly Amounts Claimed	2005-06	56.0	81.0	61.0
	2006-07	61.2	85.8	66.6
Average Weekly Amounts Unclaimed	2005-06	36.0	55.4	44.0
	2006-07	35.9	54.0	44.0
Median Weekly Amounts Unclaimed	2005-06	36.0	47.5	38.5
	2006-07	36.3	45.5	39.1
				(Millions of Pounds)
Total Amount Claimed	2005-06	9,190	3,370	12,540
	2006-07	9,900	3,820	13,740
Total Range Unclaimed	2005-06	470 : 850	620 : 1,180	1,130 : 1,890
	2006-07	450 : 940	780 : 1,500	1,250 : 2,280
				(Percentages)
Take-Up Ranges	2005-06	92 : 95	74 : 84	87 : 92
	2006-07	91 : 96	72 : 83	86 : 92

Note:

All estimates for 2005-06 for Social Rented Sector Tenants and Private Renters have been revised due to a change in definition. Estimates of the 2005-06 Average Weekly Amount Claimed and the Total Amount Claimed have been revised due to a change to the underlying administrative data. See Chapter 6 for more details.

Social Rented Sector Tenants (SRST) had a higher level of take-up of Housing Benefit than private renters when looking at both the caseload and expenditure measures of take-up.

There was some evidence of a decrease in take-up by those in private rented accommodation by at least one percentage point between 2005-06 and 2006-07. There was no evidence to suggest that there was a change in take-up by those in SRST accommodation over the same period.

On average, SRST had smaller amounts of claimed and unclaimed Housing Benefit compared with private renters.

Table 3.5: Caseload take-up of Housing Benefit by employment status

	Year	In Employment	Not in Employment	All Non-Pensioners
				(Thousands)
Number of Recipients	2005-06	290	2,050	2,340
	2006-07	310	2,070	2,380
Range of Entitled Non-Recipients	2005-06	200 : 310	100 : 190	310 : 500
	2006-07	270 : 450	90 : 190	360 : 630
				(Percentages)
Take-Up Ranges	2005-06	49 : 60	91 : 95	83 : 88
	2006-07	41 : 54	92 : 96	79 : 87

Note:

Estimates of the 2005-06 Range of Entitled Non-Recipients and Take-Up ranges have been revised due to a change in methdology. See Chapter 6 for further details.

Table 3.6: Expenditure take-up of Housing Benefit by employment status

	Year	In Employment	Not in employment	All Non-Pensioners
				(Pounds)
Average Weekly Amounts Claimed	2005-06	52.6	66.9	64.9
	2006-07	56.7	72.6	70.6
Average Weekly Amounts Unclaimed	2005-06	35.7	67.6	47.4
	2006-07	37.6	69.6	46.4
Median Weekly Amounts Unclaimed	2005-06	28.7	58.9	41.1
	2006-07	32.2	60.9	39.8
				(Millions of Pounds)
Total Amount Claimed	2005-06	800	7,120	7,900
	2006-07	920	7,810	8,730
Total Range Unclaimed	2005-06	340 : 630	330 : 740	710 : 1,310
	2006-07	480 : 940	280 : 740	810 : 1,610
				(Percentages)
Take-Up Ranges	2005-06	56 : 71	91 : 96	86 : 92
	2006-07	50 : 66	91 : 97	84 : 92

Note:

Estimates of the 2005-06 Total Range Unclaimed and Take-Up ranges have been revised due to a change in methdology. See Chapter 6 for further details.

Estimates suggest that those not in employment had substantially higher take-up of Housing Benefit than those who were employed in terms of both caseload and expenditure measures of take-up.

There was evidence to suggest a decrease in take-up by those in employment, of at least two percentage points, although we cannot be sure due to changes in certain types of bias. There was an increase in take-up by those not working by around one percentage point over the same period. However, a change in certain types of bias means we cannot be certain.

On average, those in employment had substantially smaller amounts of claimed and unclaimed Housing Benefit compared with those not in employment, particularly for the unclaimed amounts.

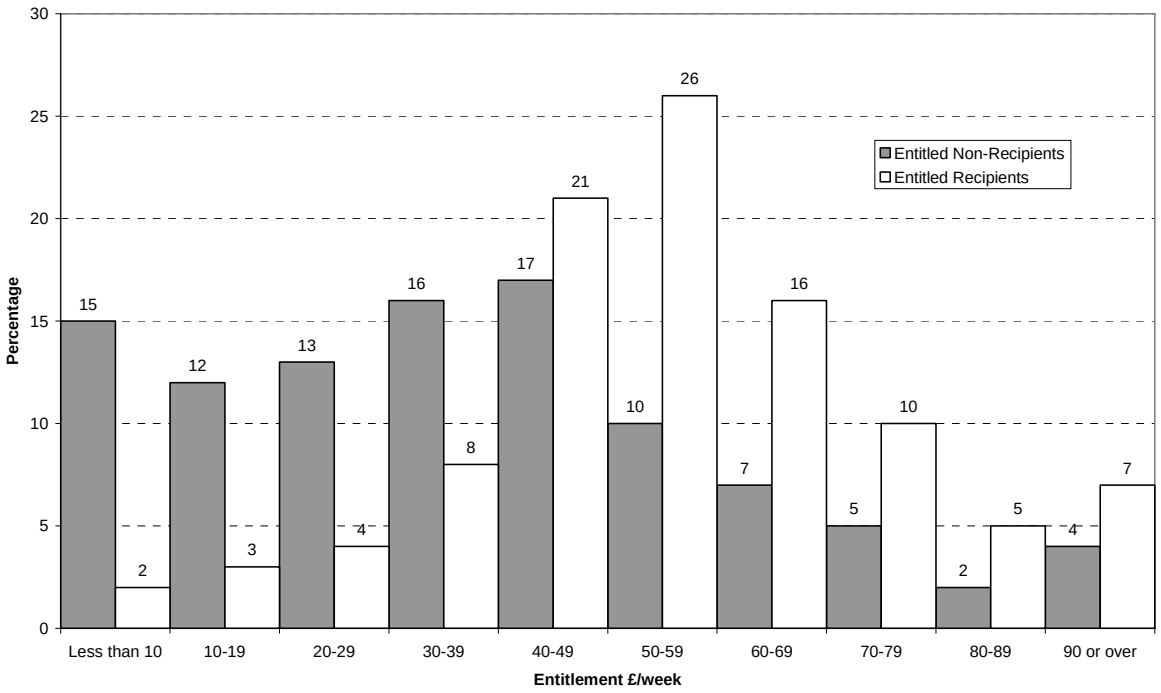
Further analysis of those entitled to but not receiving Housing Benefit

The following results relate to those identified as Entitled Non-Recipients (ENRs) of Housing Benefit in our modelling; in practice, a significant proportion of these may not have been true ENRs and a significant proportion of true ENRs may not have been identified in our modelling. Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled and in receipt of Housing Benefit (ERs) and in doing so explore some of the possible causes of non-take-up. The reader is asked to bear in mind that these analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits (for more on this see Chapter 6) and so they should be treated with some caution. For some analyses, data from the 2005-06 and 2006-07 Family Resources Surveys (FRS) have been combined to make results more robust.

Amounts unclaimed

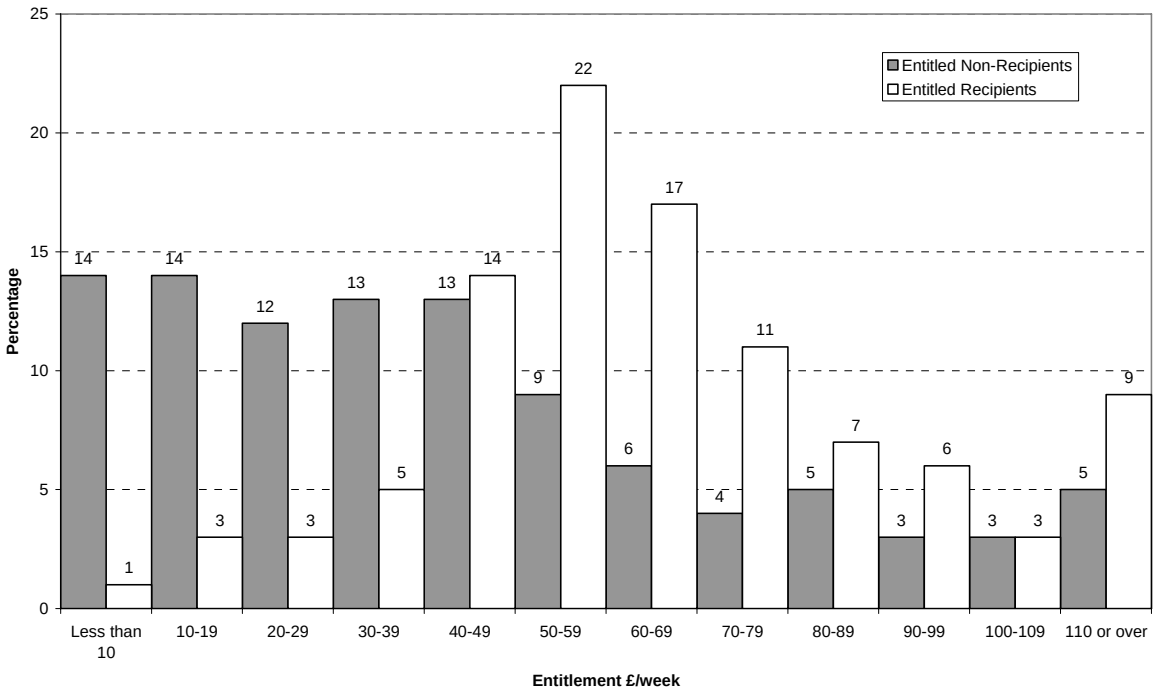
Figure 3.1 for pensioners and Figure 3.2 (overleaf) for non-pensioners both show the relationship between take-up and size of entitlement to Housing Benefit, using two years' worth of FRS data. Similar to other income-related benefits, those who did not claim Housing Benefit tended to be entitled to smaller amounts than those who did claim. This can be seen in Tables 3.2, 3.4 and 3.6 and in Figure 3.1 and Figure 3.2, which both show the percentage of Entitled Non-Recipients and Entitled Recipients against bands of entitlement to Housing Benefit. One possible explanation for this is that some people may not have considered it worthwhile claiming small amounts of benefit. Another explanation is that those close to the edge of entitlement, and therefore entitled to only small amounts, may not realise that they are entitled.

Figure 3.1: Percentage of pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Housing Benefit



Note: This chart is based on a combination of 2005-06 and 2006-07 data

Figure 3.2: Percentage of non-pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Housing Benefit



Note: This chart is based on a combination of 2005-06 and 2006-07 data

Entitlement to Council Tax Benefit

Another difference between ENRs and ERs of Housing Benefit was in the percentages who were claiming their entitlement to Council Tax Benefit. For example, 93 per cent of Entitled Recipients of Housing Benefit were also Entitled Recipients of Council Tax Benefit, compared with only eight per cent of HB ENRs. Furthermore, 63 per cent of Housing Benefit ENRs were also ENRs of Council Tax Benefit. This is compared with only three per cent of Entitled Recipients of Housing Benefit who were ENRs of Council Tax Benefit.

Employment status

There is some evidence to suggest that people assume they would not be eligible for Housing Benefit once they were working[10]. The lack of awareness of the benefit rules could have prevented some from claiming. Analysis of the FRS lends some support to this notion: 33 per cent of ENRs had at least one adult in full-time work (defined here as working full-time according to the ILO definition of employment) compared with only three per cent of Entitled Recipients. Some of this difference may have been due to those with one adult in full-time work generally having smaller entitlements. However the broad finding holds throughout the range of entitlement to Housing Benefit.

By looking in more detail at the number of hours worked by singles or couples we found some further differences between Entitled Recipients and Entitled Non-Recipients.

[10] *Into work? The impact of housing costs and the benefit system on people's decision to work* (1995) Ford, J., Kempson, E. and England, J. Joseph Rowntree Foundation, York.

Table 3.7: Percentage of ERs and ENRs of Housing Benefit by hours worked

Number of hours worked	Entitled Non-Recipients	Entitled Recipients
No-one in the benefit unit works	54%	91%
At least one adult working up to and including 15 hours per week	2%	3%
At least one adult working 16 or more hours per week	44%	6%

Table 3.7 shows that Entitled Non-Recipients of Housing Benefit were less likely to have no adults working compared with their Entitled Recipient counterparts, and more likely to have at least one adult working 16 or more hours per week. This analysis is based on data for 2005-06 and 2006-07.

Recent change in accommodation

Another possible cause of non-take-up of Housing Benefit is following a change of accommodation, whereby those who are entitled may have yet to claim their entitlement. We can look for supporting evidence for this from the FRS by comparing the length of time ENRs and Entitled Recipients lived in their current accommodation. Of those who were entitled to but not claiming Housing Benefit, around 58 per cent had moved into the property less than six months ago. The equivalent percentage amongst Entitled Recipients of Housing Benefit was 47 per cent. This suggests the amount of time that someone had spent in a property may have been an influence on the take-up of Housing Benefit. This analysis is based on combined results for 2005-06 and 2006-07.

Tenure profile

Following consultation with users and in line with harmonised definitions across government surveys, a new tenure type definition has been introduced into the publication for the first time. Social Rented Sector Tenants include those who rent their accommodation from the Local Authority Council, or from a Registered Social Landlord or Housing Association. The Private Tenant category includes those who privately rent their accommodation. For more details on the change, and how this has affected estimates of take-up, see Chapter 6.

Figure 3.3 (below) shows that for non-pensioners, there were distinct differences between ERs and ENRs. Just over one-fifth of ERs were renting privately. In comparison, almost three-fifths of ENRs were in similar accommodation. This indicates that those in privately rented accommodation were less likely to claim their entitlement to Housing Benefit.

Figure 3.3: Non-Pensioner Entitled Non-Recipients and Entitled Recipients by Tenure Type

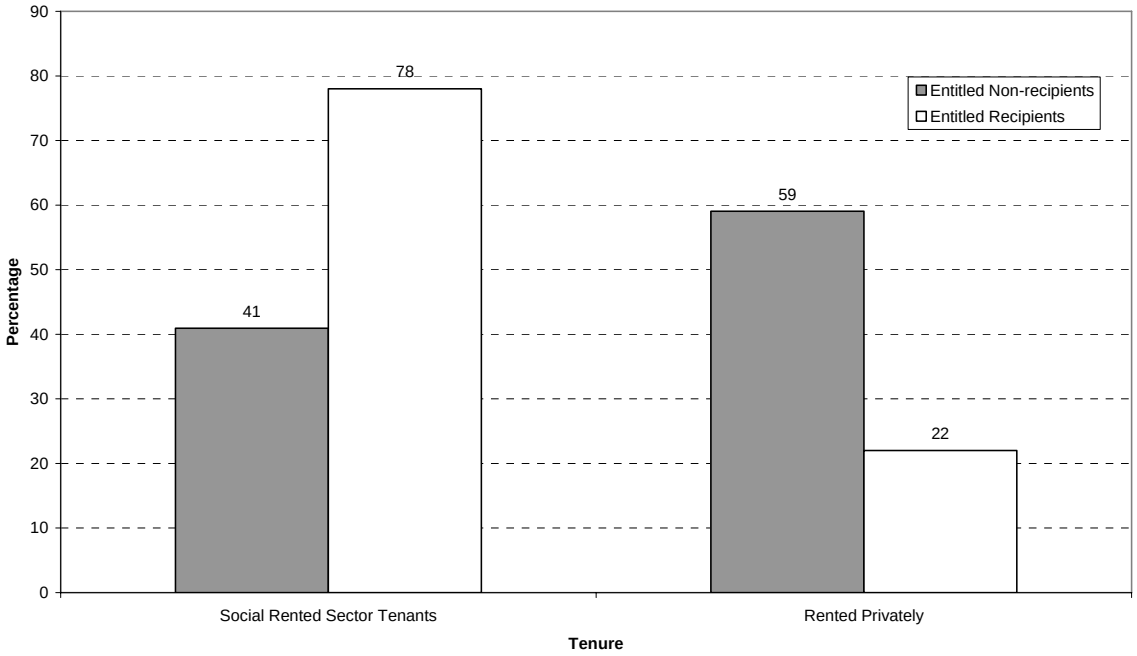
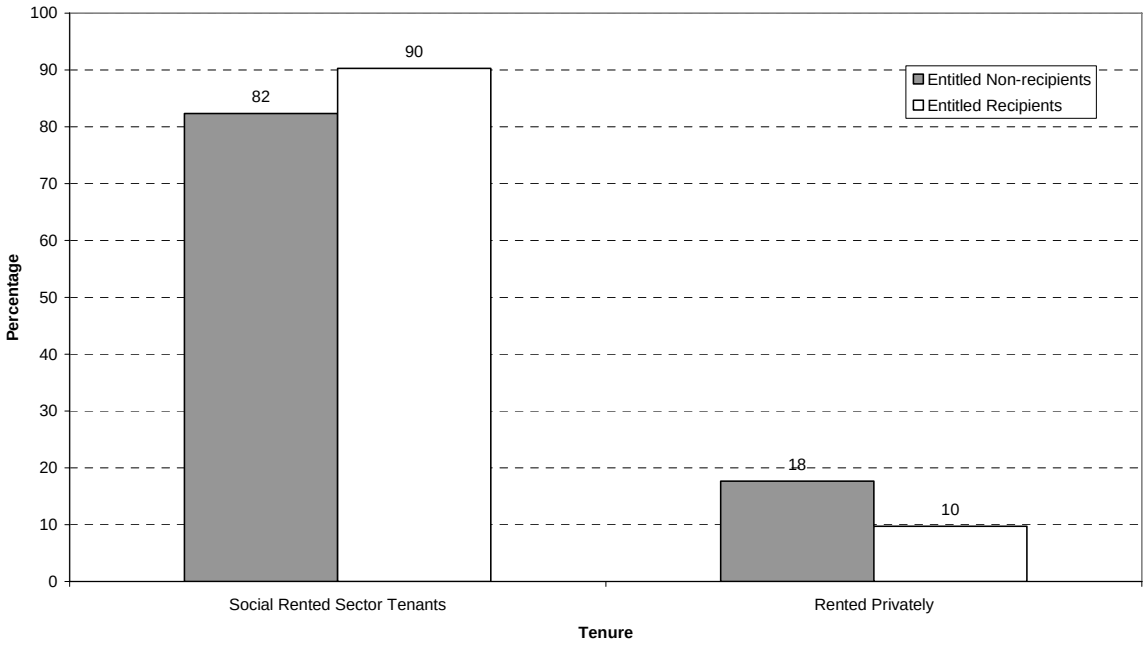


Figure 3.4 shows that for pensioners there was relatively little difference in the two groups, in terms of their tenure type. The proportion of ENRs who were renting their accommodation privately was greater than their recipient counterparts, indicating that these pensioners may be less likely to claim their entitlement.

Figure 3.4: Pensioner Entitled Non-Recipients and Entitled Recipients by Tenure Type

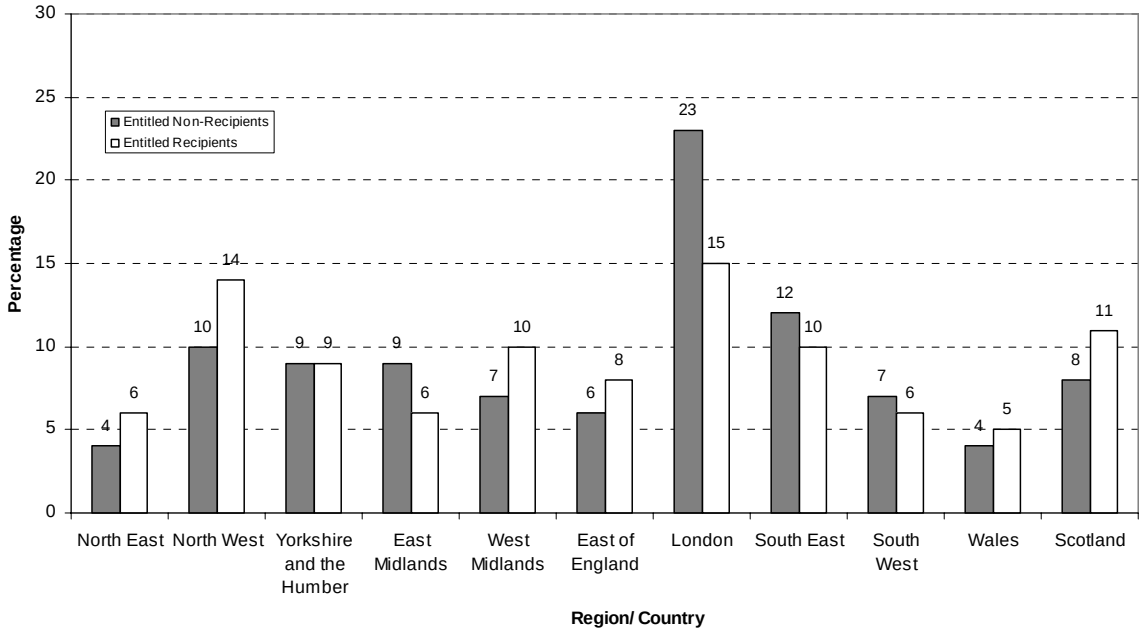


Region/Country

Figure 3.5 presents the distribution of Entitled Non-Recipients and Entitled Recipients by region/country. The numbers above the bars shaded grey show what proportion of ENRs lived in each region/country, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs lived in each region/country. Readers should therefore bear in mind that an equal percentage of ENRs and ERs in any region does not mean that there is the same *number* of benefit units in that category.

The greatest proportion of both ENRs and ERs of Housing Benefit lived in London, because of the relatively large amount of rental accommodation in this region. There were proportionately more ENRs than ERs in the East Midlands, London, the South East, and the South West, indicating that take-up may have been lower in these areas.

Figure 3.5: Entitled Non-Recipients and Entitled Recipients by Region/Country



Note: This chart is based on a combination of 2005-06 and 2006-07 data

Disability

Seventy-four per cent of pensioner Entitled Recipients had a disabled person (please refer to the glossary for the definition of 'disabled') in the benefit unit compared with 64 per cent of pensioner Entitled Non-Recipients. For non-pensioner benefit units, the equivalent figures were 55 per cent and 24 per cent. These figures indicate that disability may be a factor in the decision to claim Housing Benefit, particularly for non-pensioner benefit units.

The percentage of Entitled Non-Recipients and Entitled Recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. This indicator of low income is used in the following analysis which combines benefit unit level take-up

datasets with household equivalised income results from the 'Households Below Average Income' publication[11].

Since 2005-06, HBAI's measurement of the income distribution has been based on incomes in the UK as a whole, and use the OECD equivalisation scale. This comes from the 2004 Spending Review that stipulated that the child poverty measure should be measured on these bases.

This section compares those in Great Britain on the take-up dataset against the UK median based on OECD equivalisation using the HBAI dataset. Take-up estimates are presented for the population in Great Britain, but the definition of 'low income' has used the UK median to be consistent with low-income estimates published in the 'Households Below Average Income' report. Previous analysis has shown that the inclusion of Northern Ireland produces estimates that are virtually indistinguishable whether using GB or UK medians. The position of some ENRs and ERs in the income distribution may have been affected by the incomes of other household members. Figures have been calculated on both a Before Housing Costs basis and an After Housing Costs basis for 2005-06 and 2006-07.

Table 3.8: Percentage of ENRs and ERs below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioner	**ENRs**	2005-06	47%	64%
		2006-07	42%	63%
	ERs	2005-06	9%	26%
		2006-07	10%	27%
Non-Pensioner	**ENRs**	2005-06	60%	78%
		2006-07	58%	83%
	ERs	2005-06	51%	74%
		2006-07	52%	76%

Table 3.8 shows that before the deduction of housing costs, just more than two-fifths of all pensioner ENRs lived in households below 60 per cent of median income and that they were around four times more likely than pensioner ERs to be below this threshold. On an AHC basis the proportions of both pensioner ENRs and pensioner ERs that fell below the income threshold were significantly higher.

Estimates for non-pensioners displayed a similar pattern to pensioner figures, although the difference between ENRs and ERs was smaller. Before Housing Costs, almost three-in-five of all non-pensioner

[11] *Households Below Average Income (HBAI) 1994/95-2006/07*, (2008) DWP. For access to the publication see the following website: http://www.dwp.gov.uk/asd/hbai.asp

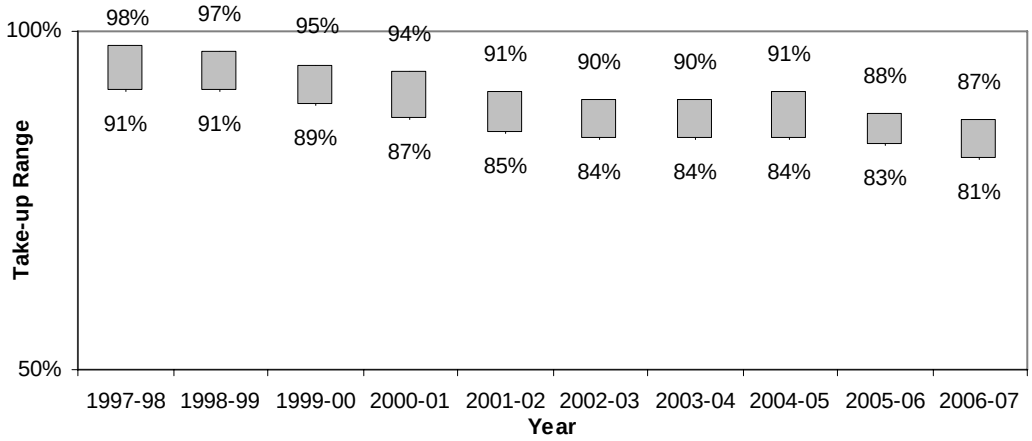
ENRs were below 60 per cent median income compared with around half of the respective ER group. Similar to pensioners, estimates on an AHC basis were significantly higher.

Following consultation with users, for this 2006-07 edition, tables showing the position of ERs and ENRs in the income distribution have been removed.

Trends in take-up over time

The following section focuses on take-up of Housing Benefit over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997-98. Comparing take-up over time is not straightforward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, except those results covering the year prior to the latest published results, estimates of take-up are not recast in light of methodological improvements. The methodology used to determine the direction and extent of take-up has been changed to make it more consistent, and gives a more accurate reflection of the level of change. As a result, the changes may differ from conclusions given in previous publications. The statements made below allow for these complications as best we can.

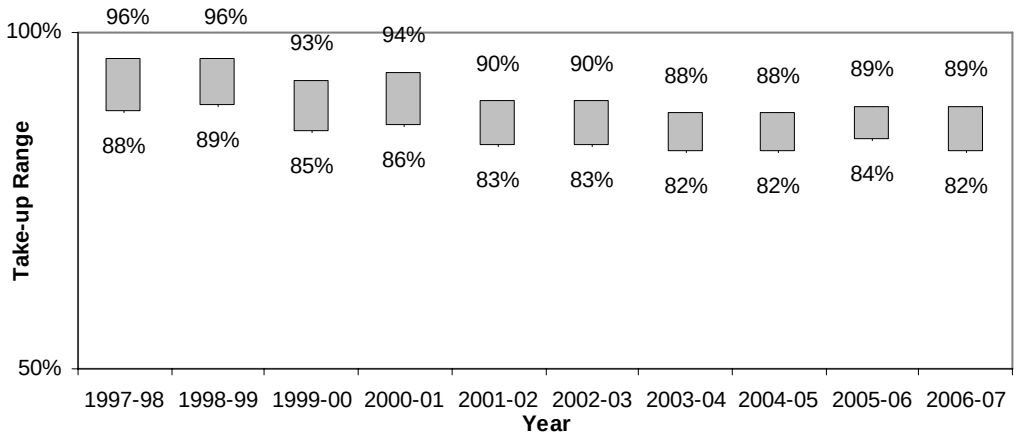
Figure 3.6: Pattern over time in caseload take-up of Housing Benefit



Since 1997-98 there is evidence to suggest that overall take-up of Housing Benefit fell by at least four percentage points. Some of the decline may have been attributable to the decreasing proportion of Local Authority (LA) tenants who historically have had higher take-up of rent rebate, and the transfer to Registered Social Landlords, who together with other private renters have historically had lower take-up of their entitlement to rent allowance. In 1997-98, LA tenants made up 60 per cent of the HB caseload; however, by 2006-07 this had fallen to 42 per cent. In contrast, RSL tenants made up 17 per cent of the HB caseload in 1997-8, compared with 37 per cent in 2006-07.

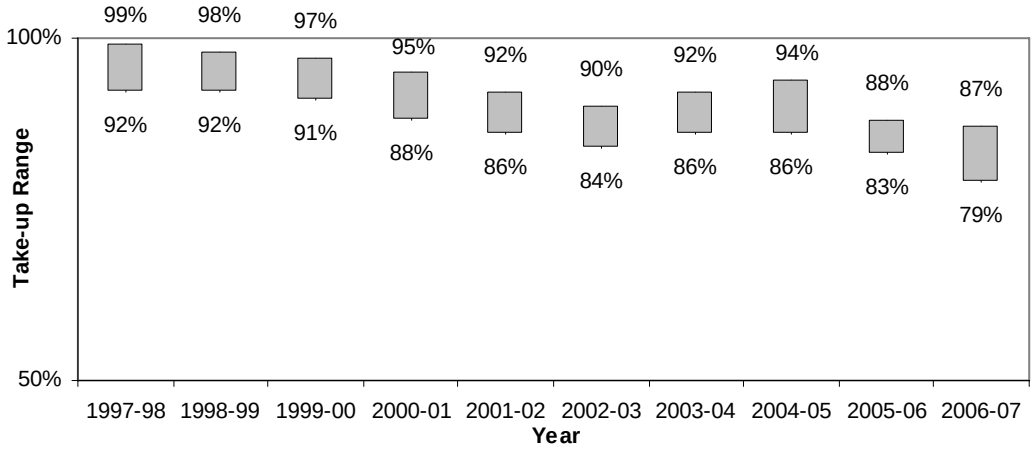
Alternatively, other evidence suggests that there is a lack of awareness that Housing Benefit can be claimed while working, which could suggest that as employment rates have risen, the number of those in-work and eligible who claim Housing Benefit has fallen, thus contributing to the fall in take-up.

Figure 3.7: Pattern over time in caseload take-up of Housing Benefit for pensioners



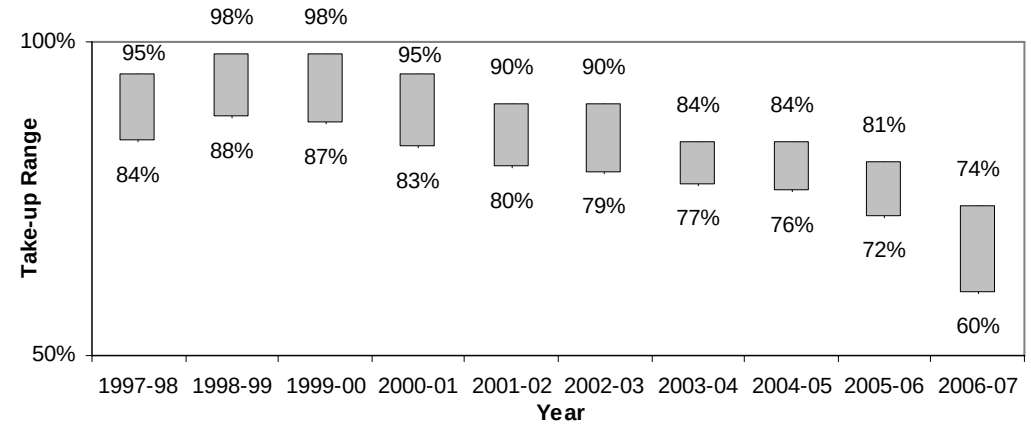
Overall, since 1997-98 there is evidence to suggest that there has been a slight fall in take-up of at least one percentage point amongst pensioners. An analysis of take-up among only those pensioners who would have been entitled if Housing Benefit applicable amounts had not been increased in real terms, between 1997-98 and 2006-07, suggests that there was no change in take-for this group. This implies that the fall in take-up was largely attributable to low take-up among pensioners brought into entitlement by increases in income-related benefits.

Figure 3.8: Pattern over time in caseload take-up of Housing Benefit for non-pensioners



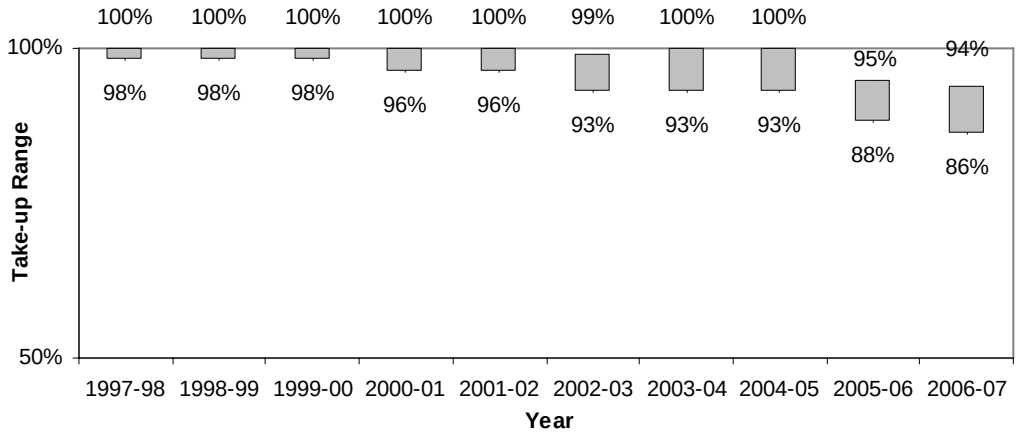
Since 1997-98 amongst non-pensioners, there is evidence to suggest that take-up has fallen by at least six percentage points.

Figure 3.9: Pattern over time in caseload take-up of Housing Benefit for couples with children



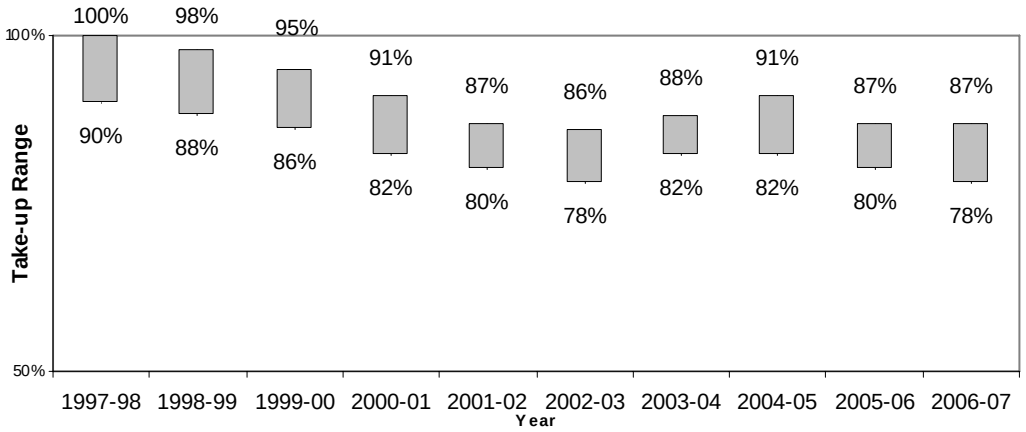
Since 1997-98, there was evidence to suggest a decrease in take-up of at least 15 percentage points, with most of the fall occurring since 1999-00. Among those who would have been entitled in each year since 1997-98, the fall would have been less extensive, around 13 percentage points.

Figure 3.10: Pattern over time in caseload take-up of Housing Benefit for singles with children



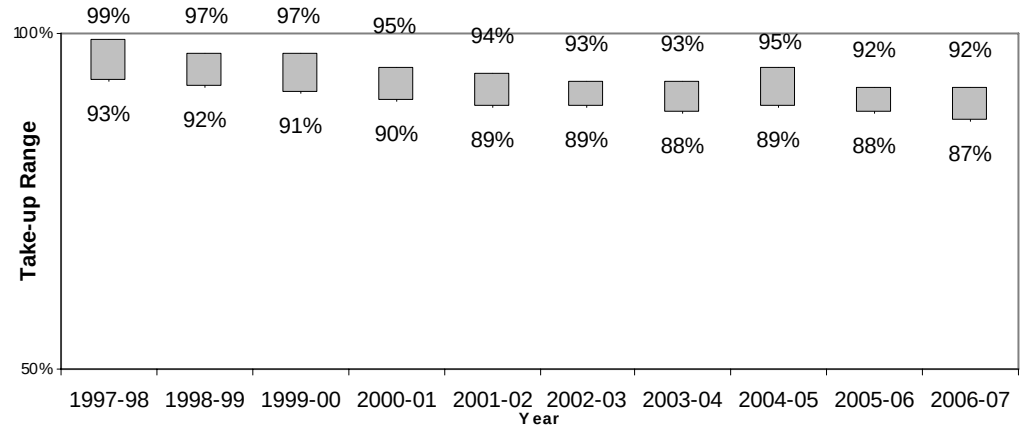
Since 1997-98, there was evidence to suggest a small fall in take-up, of at least five percentage points for singles with children, though the evidence is not conclusive. Among those who would have been entitled in each year since 1997-98, the fall would have been less extensive, around four percentage points.

Figure 3.11: Pattern over time in caseload take-up of Housing Benefit for others



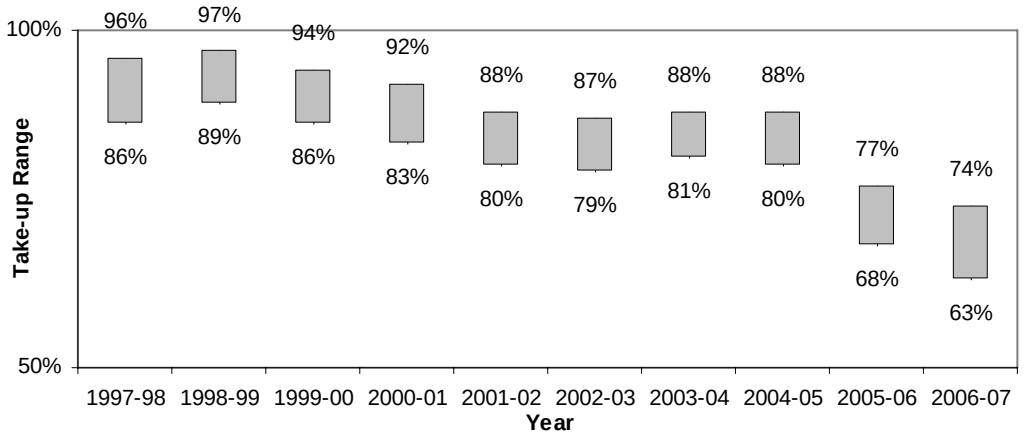
Since 1997-98, there was evidence to suggest that there has been a fall in take-up amongst childless non-pensioner families, of at least six percentage points.

Figure 3.12: Pattern over time in caseload take-up of Housing Benefit for social rented sector tenants



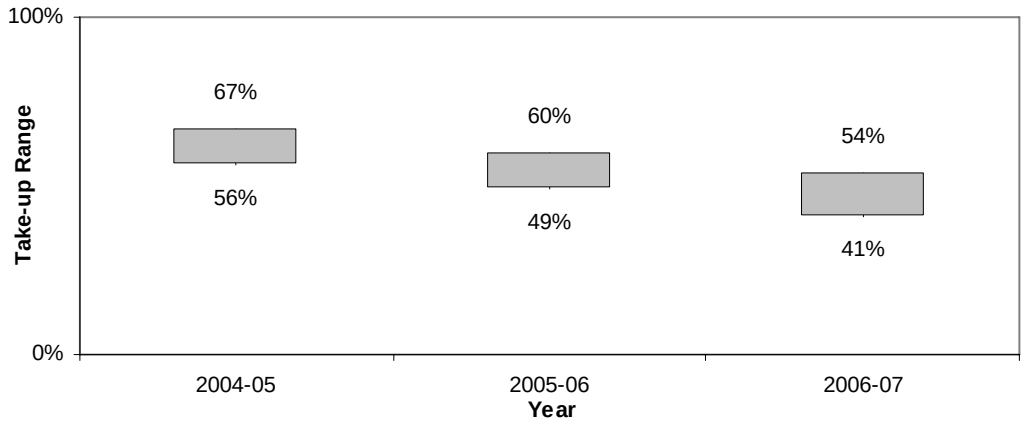
Take-up by those in social rented accommodation not including Housing Association and Registered Social Landlord tenants showed no change between 1997-98 and 2004-05. Between 2005-06 and 2006-07, when HA and RSL tenants were incorporated into the definition of social rented sector tenants, there was no evidence of any change in take-up for this group. For further details of the change in definition of tenure types, please see Chapter 6.

Figure 3.13: Pattern over time in caseload take-up of Housing Benefit for private renters



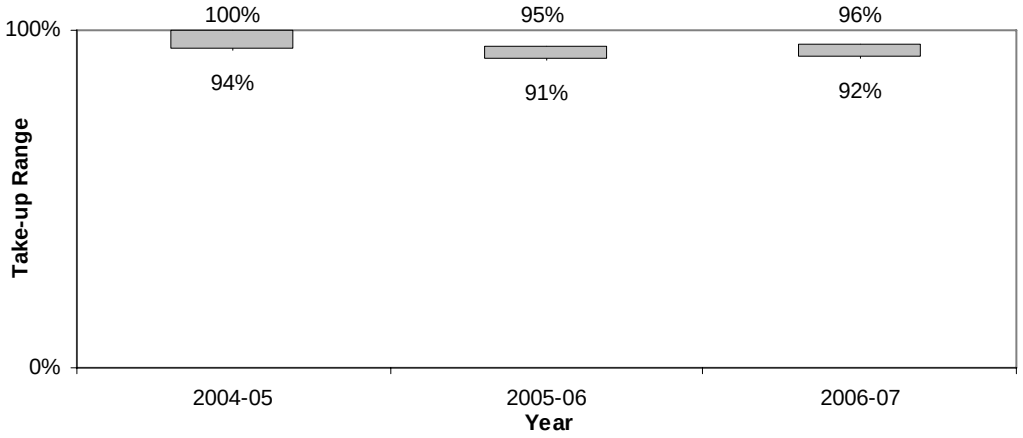
Take-up by private tenants (where the definition included those renting from a Housing Association or Registered Social Landlord) decreased by at least four percentage points between 1997-98 and 2004-05. Between 2005-06 and 2006-07, when the definition of private renters did not include those renting from Housing Associations or Registered Social Landlords, there was a decrease in take-up of around one percentage point. For further details of the change in definition of tenure types, please see Chapter 6.

Figure 3.14: Pattern over time in caseload take-up of Housing Benefit for those in employment



Since 2004-05 there was evidence to suggest a decrease in take-up by those non-pensioners in employment, although it is not possible to identify the magnitude of the change due to changes in certain types of bias.

Figure 3.15: Pattern over time in caseload take-up of Housing Benefit for those not in employment



Since 2004-05, there appears to have been a decrease in take-up, of around one percentage point, for those not in work. However, changes in certain types of bias mean we cannot be certain.

Chapter 4

Council Tax Benefit

Key results

All Council Tax Benefit

- **Caseload take-up**: between 63% and 69% overall
- **Expenditure take-up**: between 65% and 72% overall
- **Change since 2005-06**: there was no evidence of any change in caseload take-up of Council Tax Benefit
- **Change since 1997-98**: a fall of at least 12 percentage points amongst this group. We cannot, however, be sure due to changes in certain types of bias over the years

Pensioners

- **Caseload take-up**: between 55% and 61%
- **Expenditure take-up**: between 56% and 63%
- **Change since 2005-06**: there was no evidence of any change in take-up since 2005-06 for this group
- **Change since 1997-98**: there has been a downward trend in caseload take-up of at least 12 percentage points since 1997-98, though we cannot be sure due to changes in certain types of bias

Non-pensioners

- **Caseload take-up**: between 73% and 82%
- **Expenditure take-up**: between 75% and 84%
- **Change since 2005-06**: there has been no clear evidence of any change in take-up since 2005-06 for this group
- **Change since 1997-98**: there has been a fall of at least nine percentage points amongst this group

Characteristics of Entitled Non-Recipients (ENRs)

- **Amounts unclaimed**: On average, ENRs were entitled to lower amounts than Entitled Recipients (ERs)

- **Claiming Housing Benefit**: ninety-five per cent of CTB ERs who were in rented accommodation were in receipt of Housing Benefit compared with 12 per cent of ENRs
- **Recent change in accommodation**: fifty-six per cent of ENRs had moved into their property less than six months ago, compared with 44 per cent of ERs
- **Tenure profile**: almost three-fifths of non-pensioner ENRs were owner-occupiers, in comparison with pensioners, of whom just over four-fifths of ENRs were owner occupiers
- **Region/Country**: the greatest proportion of ENRs of Council Tax Benefit lived in the North West region, while the greatest proportion of ERs lived in the North West and London
- **Disability**: seventy-three per cent of pensioner Entitled Recipients had a disabled person in the benefit unit, compared with 53 per cent of pensioner Entitled Non-Recipients. For non-pensioner benefit units the equivalent figures were 58 per cent and 33 per cent
- **Percentage living in low-income households:** just less than half of pensioner ENRs lived in low-income households Before Housing Costs, which was significantly larger than pensioner ERs, of whom only 27 per cent lived in low income households Before Housing Costs. After Housing Costs the difference in the percentages between the groups reduced, where two-fifths of pensioner ENRs lived in households with income below the 60 per cent median threshold, compared with 28 per cent of ERs

Introduction

Council Tax Benefit is available to those with a Council Tax liability via two routes: main Council Tax Benefit and Second Adult Rebate. Main Council Tax Benefit is paid to anyone on a sufficiently low income. Those on Income Support, the Guarantee Credit element of Pension Credit or Jobseeker's Allowance (Income-Based) are automatically eligible for full main Council Tax Benefit. Second Adult Rebate (SAR) is paid to single adults who are the only person liable for Council Tax on the home and live with one or more adults on low income. In 2006-07, Council Tax Benefit was reduced for those with capital holdings of £6,000 or more and was not paid to those with capital holdings of £16,000 or more. There was, however, no capital limit for pensioners in receipt of the Guarantee element of Pension Credit. If a benefit unit is eligible for both types of Council Tax Benefit, the higher amount is taken into account as benefit entitlement. The primary purpose of this chapter is to look at take-up of main Council Tax Benefit although some tentative estimates for SAR are included.

In April 2006, Council Tax Benefit applicable amounts (the amount of income a benefit unit can receive before deductions from benefit are made) for pensioners were increased by more than the basic state Retirement Pension was increased. This had the effect of increasing the number of pensioners entitled to Council Tax Benefit. In addition to this, gross council tax bills continued to increase in real terms. This led to an increase in the size of the population entitled to Council Tax Benefit. Additionally, a slightly higher unemployment rate in 2006-07 would have increased the size of the entitled population for non-pensioners. The following statistics should be interpreted with this context in mind.

Guide to tables

Take-up statistics for main Council Tax Benefit are presented in two sets of tables. The first set, Tables 4.1 and 4.2, present take-up by caseload and expenditure respectively for different family types. The second set, Tables 4.3 and 4.4, show caseload and expenditure take-up estimates in terms of different tenure arrangements. Note that the tenure type 'Social Rented Sector Tenants' includes those renting from Registered Social Landlords/Housing Associations. See Chapter 6 for more details. Statistics on the take-up of Second Adult Rebate are presented in Tables 4.5 and 4.6.

Readers will notice that components do not always sum to totals in the tables. This is because 95 per cent confidence intervals have been calculated separately for components and totals to reflect sampling error. In common with the other benefits, Council Tax Benefit take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of quantifiable biases in the baseline figures. Where ranges are wide, uncertainties as to biases account for the major part of the range's width.

Additional tables in the 'Further Analysis' section give an indication of what proportion of Entitled Non-Recipients and Entitled Recipients of Council Tax Benefit in Great Britain had incomes below 60 per cent of contemporary median income. In response to user demand, analyses looking at where ENRs and ERs were in the income distribution (by quintile) have been dropped from this publication. The section also provides a comparison of the characteristics of Entitled Non-Recipients with those of Entitled Recipients and, in doing so, explores some of the possible reasons for non-take-up. Geographical and disability comparisons are provided for the first time.

Technical note on the results in this chapter

Following consultation with users and in line with harmonised definitions across government surveys, we have changed the definition of the tenure type splits that are used in this publication. In the 2005-06 and previous editions, those renting from Registered Social Landlords and Housing Associations were included in the private renters category. For 2006-07, these have been included in the Social Rented Sector category, along with those renting from the Local Authority. In 2006/07, according to the Family Resources Survey, there were around 2.5 million benefit units who were renting and living in RSL/HA accommodation, out of a total renter population of 9.2 million. This 2.5 million have therefore been moved from the private renter group, to the social rented sector group.

In order to allow a consistent comparison between 2005-06 and 2006-07, estimates for 2005-06 have been recalculated for 2005-06 using the same definitions. See Chapter 6 for more details.

DWP statisticians are less confident of the statistics by tenure type than of the statistics by family type. This is because the administrative data supplied to the DWP contains insufficient information to enable us to analyse receipt of Council Tax Benefit accurately by tenure type. The tenure breakdown of 'Number of Recipients' shown in Table 4.3 was derived by applying the percentage of Council Tax Benefit recipients in each tenure group from the Family Resources Survey in 2006-07 to the total number of recipients from the administrative data. To get the average amounts claimed by tenure group, we used the information that administrative data could tell us about amounts claimed by tenure. On balance though, we are confident that the broad patterns shown in the tables are robust.

Similar to figures for Housing Benefit, it is believed that estimates of the number of Council Tax Benefit recipients are understated because of a backlog of new claims waiting to be processed, a small number of existing claims awaiting review, and as a result of new rules introduced for pensioners halfway through 2003-04 that meant that Council Tax Benefit could be backdated more readily than previously (see Chapter 6 for more details). As a result, estimates of take-up are depressed. However, we are not certain of either the size or the allocation of the administrative caseload undercount by family and tenure type, or of the number of backdated claims to Council Tax Benefit following the rule changes.

It is possible that the take-up rates presented for pensioners may be understated further in these estimates. This is because it has not proved possible to adjust the estimates for the potential problem of capital misreporting highlighted in the DWP research report "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"[12]. See Chapter 6 for further details.

Caution should be taken with expenditure-based results for the group 'others' and 'All non-pensioners'. This is because analysis shows that there is a large difference between the amounts of modelled entitlement and amounts claimed for those in receipt for this group.

[12] *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0)
For a summary of this report see the following website: http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf

Results

Table 4.1: Caseload take-up of Council Tax Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups: Couples with Children	Non-Pensioner groups: Single with Children	Non-Pensioner groups: Others	All
							(Thousands)
Number of Recipients	2005-06	2,580	2,390	280	900	1,210	4,960
	2006-07	2,610	2,450	310	890	1,240	5,050
Range of Entitled Non-Recipients	2005-06	1,710 : 2,150	550 : 880	160 : 220	100 : 200	280 : 490	2,290 : 3,010
	2006-07	1,680 : 2,140	550 : 890	220 : 310	100 : 190	210 : 430	2,250 : 2,990
							(Percentages)
Take-Up Ranges	2005-06	54 : 60	73 : 81	56 : 64	82 : 90	71 : 81	62 : 68
	2006-07	55 : 61	73 : 82	50 : 59	82 : 90	74 : 85	63 : 69

Note:

The estimate of the 2005-06 Number of Recipients for 'All' has been revised due to revisions to the underlying data.

See Chapter 6 for more details.

Table 4.2: Expenditure take-up of Council Tax Benefit by family type

	Year	Pensioners	All Non-Pensioners	Non-Pensioner groups: Couples with Children	Non-Pensioner groups: Single with Children	Non-Pensioner groups: Others	All
							(Pounds)
Average Weekly Amounts Claimed	2005-06	13.5	13.5	16.7	13.6	12.7	13.5
	2006-07	14.4	14.1	17.0	14.2	13.3	14.2
Average Weekly Amounts Unclaimed	2005-06	12.4	12.1	12.7	10.2	12.5	12.3
	2006-07	13.3	12.2	13.2	9.8	12.6	12.9
Median Weekly Amounts Unclaimed	2005-06	12.0	12.0	12.7	9.3	12.4	12.0
	2006-07	12.7	12.1	13.8	9.7	12.5	12.7
							(Millions of Pounds)
Total Amount Claimed	2005-06	1,810	1,670	240	640	800	3,490
	2006-07	1,940	1,790	280	660	860	3,740
Total Range Unclaimed	2005-06	1,080 : 1,420	330 : 580	90 : 160	50 : 120	170 : 340	1,430 : 1,960
	2006-07	1,130 : 1,510	330 : 590	140 : 230	40 : 110	150 : 300	1,480 : 2,060
							(Percentages)
Take-Up Ranges	2005-06	56 : 63	74 : 83	61 : 72	85 : 93	70 : 82	64 : 71
	2006-07	56 : 63	75 : 84	55 : 66	86 : 94	74 : 86	65 : 72

Take-up of Council Tax Benefit was higher amongst non-pensioners compared with pensioners when analysed by either caseload or expenditure. On an expenditure basis, singles with children appeared to have higher take-up of Council Tax Benefit. It is not possible to say which family type had the lowest level of take-up of Council Tax Benefit in 2006-07.

There was no clear evidence of any change in take-up amongst pensioners between 2005-06 and 2006-07. If applicable amounts had not risen in real terms, there would have been a slight increase in take-up by pensioners, by around one percentage.

There was no clear evidence of any change in take-up for couples with children and singles with children, between 2005-06 and 2006-07. However, there was evidence that take-up of Council Tax Benefit by others increased, by between two and three percentage points between the two years. Amongst those singles with children who would have been entitled in 2005-06 and 2006-07 – without real-terms increases in applicable amounts – there was a slight increase in take-up. This suggests that low take-up among singles with children brought into entitlement for the first time contributed to the lack of any change in the aggregate rate of take-up for this group. For all non-pensioners, there was no clear evidence of any change in take-up.

Overall, there is no evidence of any change in take-up of Council Tax Benefit between reporting years.

Table 4.3: Caseload take-up of Council Tax Benefit by tenure type

	Year	Social Rented Sector Tenants	Private Renters	Owner Occupiers	All
					(Thousands)
Number of Recipients	2005-06	2,950	640	1,370	4,960
	2006-07	2,990	680	1,390	5,050
Range of Entitled Non-Recipients	2005-06	240 : 440	210 : 340	1,820 : 2,250	2,290 : 3,010
	2006-07	220 : 450	200 : 330	1,810 : 2,250	2,250 : 2,990
					(Percentages)
Take-Up Ranges	2005-06	87 : 92	65 : 76	38 : 43	62 : 68
	2006-07	87 : 93	67 : 78	38 : 43	63 : 69

Note

Estimates of the 2005-06 Number of Recipients for all groups except 'Owner Occupiers', the Range of Entitled Non-Recipients for all groups except 'All' and the take-up ranges for Social Rented Sector Tenants and Private Renters have been revised due to a change in definition and changes to the underlying administrative data. See Chapter 6 for more details.

Table 4.4: Expenditure take-up of Council Tax Benefit by tenure type

	Year	Social Rented Sector Tenants	Private Renters	Owner Occupiers	All
					(Pounds)
Average Weekly Amounts Claimed	2005-06	13.0	13.7	14.4	13.5
	2006-07	13.6	14.5	15.4	14.2
Average Weekly Amounts Unclaimed	2005-06	10.4	12.9	12.6	12.3
	2006-07	11.0	12.9	13.3	12.9
Median Weekly Amounts Unclaimed	2005-06	10.4	12.8	12.5	12.0
	2006-07	11.5	13.0	13.0	12.7
					(Millions of Pounds)
Total Amount Claimed	2005-06	2,000	460	1,030	3,490
	2006-07	2,120	510	1,110	3,740
Total Range Unclaimed	2005-06	120 : 250	130 : 240	1,160 : 1,510	1,430 : 1,960
	2006-07	120 : 270	120 : 240	1,220 : 1,600	1,480 : 2,060
					(Percentages)
Take-Up Ranges	2005-06	89 : 94	65 : 78	40 : 47	64 : 71
	2006-07	89 : 95	68 : 81	41 : 48	65 : 72

Note

Estimates of the 2005-06 Average Weekly Amounts Claimed, the Average Weekly Amounts Unclaimed and Total Amount Claimed have been revised due to a change in definition. The Total Range Unclaimed for all groups except 'All', and the Take-up Ranges for Private Renters have been revised due to a change in definition, and changes to the underlying administrative data. See Chapter 6 for more details.

Take-up was higher by those living in social rented sector accommodation than by those living in privately rented accommodation. Those owning their accommodation had the lowest rate of take-up of Council Tax Benefit. These differences existed when considering either the caseload or the expenditure measure of take-up.

For both social rented sector tenants and owner occupiers there was insufficient evidence to suggest a change in take-up between 2005-06 and 2006-07. For private renters, there was evidence of an increase in take-up, by caseload, of around two percentage points.

In common with the other income-related benefits, average amounts claimed were higher than average amounts unclaimed (Tables 4.2 and 4.4). However, the difference between amounts claimed and unclaimed were smaller for Council Tax Benefit than for other benefits. This effect fed through into the take-up ranges where we found, on the whole, that there was less difference between caseload and expenditure take-up measures in the case of main Council Tax Benefit than there was for other benefits.

Second Adult Rebates

Table 4.5: Caseload take-up of SAR

All Groups	Year	Second Adult Rebate
		(Thousands)
Number of Recipients	2005-06	30
	2006-07	40
Entitled Non-Recipients	2005-06	270
	2006-07	310
		(Percentages)
Take-Up	2005-06	10
	2006-07	10

Table 4.6: Expenditure take-up of SAR

All Groups	Year	Second Adult Rebate
		(Pounds)
Average Weekly Amount Claimed	2005-06	3.9
	2006-07	4.4
Average Weekly Amount Unclaimed	2005-06	2.4
	2006-07	2.6
		(Millions of Pounds)
Total Claimed	2005-06	10
	2006-07	10
Total Unclaimed	2005-06	30
	2006-07	40
		(Percentages)
Take-Up	2005-06	16
	2006-07	17

Estimates for Second Adult Rebates are given as point estimates as problems with the survey data make the production of ranges impossible. The figures are based on small sample sizes and must be viewed with extreme caution. We found evidence of a slight increase in the take-up of Second Adult Rebates between 2005-06 and 2006-07.

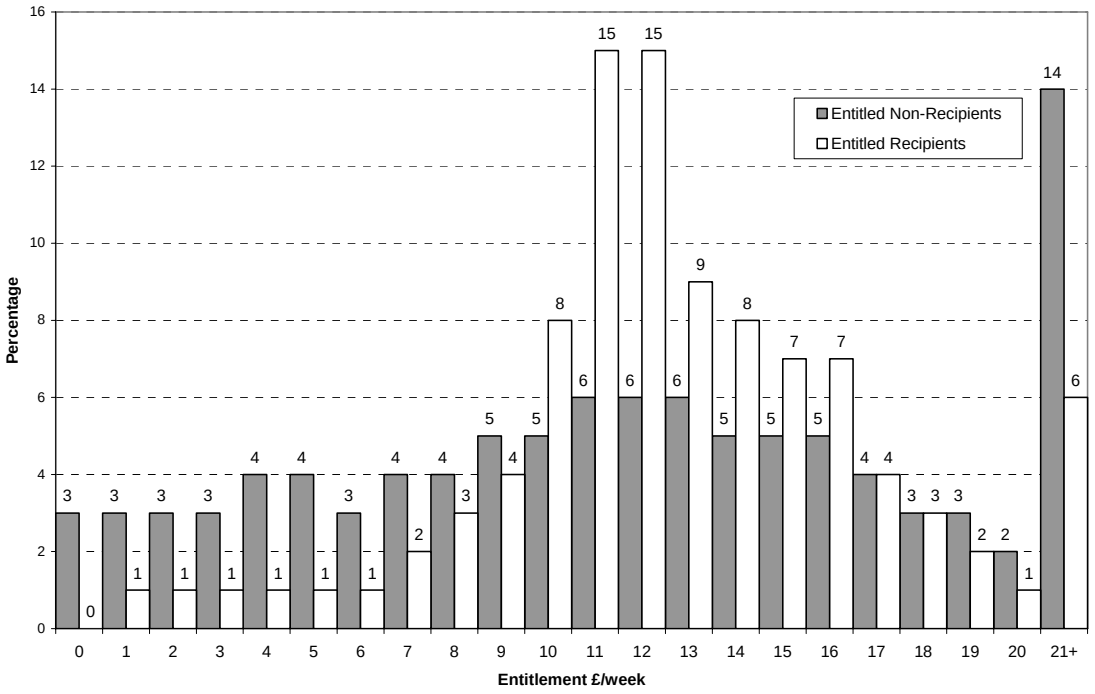
Further analysis of those entitled to but not claiming Council Tax Benefit

The following results relate to those identified as Entitled Non-Recipients (ENRs) of main Council Tax Benefit (CTB) in our modelling (these exclude ENRs of the Second Adult Rebate). In practice, a significant proportion of these modelled may not have been true ENRs, and a significant proportion of true ENRs may not have been identified in our modelling. Where appropriate, we contrast the characteristics of those identified as ENRs with the characteristics of those that were entitled and in receipt (ERs) of main Council Tax Benefit and in doing so explore some of the possible causes of non-take-up. The reader must bear in mind that these analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits (for more on this see Chapter 6) and so they should be treated with some caution. For some analyses, data from the 2005-06 and 2006-07 Family Resources Surveys have been combined to make results more robust.

Amounts unclaimed

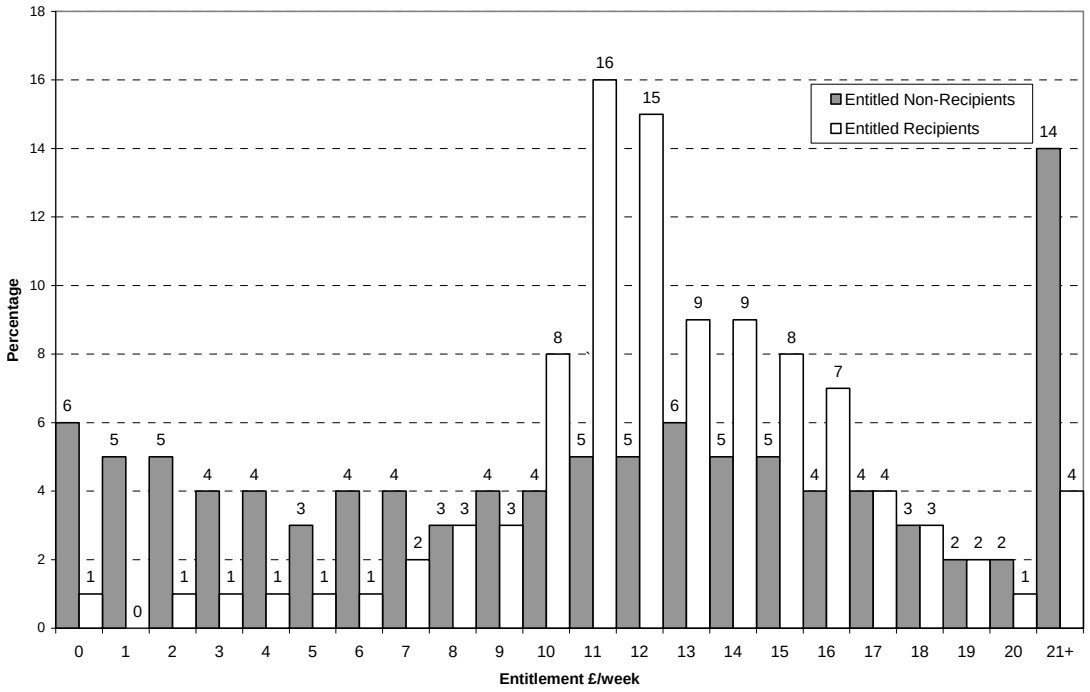
Figure 4.1 for pensioners and Figure 4.2 (overleaf) for non-pensioners both show the relationship between take-up and amount of entitlement to Council Tax Benefit. As with the other income-related benefits, Entitled Non-Recipients of Council Tax Benefit had a tendency to be entitled to lower amounts than Entitled Recipients. However, a larger proportion of all ENRs were entitled to £14 or more compared with ERs. In addition, analysis of the FRS also revealed that 80 per cent of recipients were entitled to full Council Tax Benefit compared with 43 per cent of ENRs. It should be noted that a far higher proportion of recipients of Council Tax Benefit were receiving Income Support, Pension Credit (the Guarantee Credit element) or Jobseeker's Allowance and therefore had entitlement to full CTB automatically, than for ENRs of Council Tax Benefit.

Figure 4.1: Percentage of pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Council Tax Benefit



Note: This chart is based on a combination of 2005-06 and 2006-07 data; percentages have been rounded to the nearest whole number.

Figure 4.2: Percentage of non-pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Council Tax Benefit



Note: This chart is based on a combination of 2005-06 and 2006-07 data; percentages have been rounded to the nearest whole number.

Tenure profile

Following consultation with users and in line with harmonised definitions across government surveys, a new tenure type definition has been introduced into the publication for the first time. Social Rented Sector Tenants include those who rent their accommodation from the Local Authority Council, or from a Registered Social Landlord or Housing Association. The Private Tenant category includes those who privately rent their accommodation. For more details on the change, and how this has affected estimates of take-up, see Chapter 6.

Figure 4.3 shows that for non-pensioners, there were distinct differences between ERs and ENRs. Just over one-tenth of ERs were owner occupiers. In comparison, almost three-fifths of ENRs lived in similar accommodation. This indicates that those non-pensioners who owned their accommodation were less likely to claim their entitlement in 2006-07.

Figure 4.3: Non-Pensioner Entitled Non-Recipients and Entitled Recipients by Tenure Type

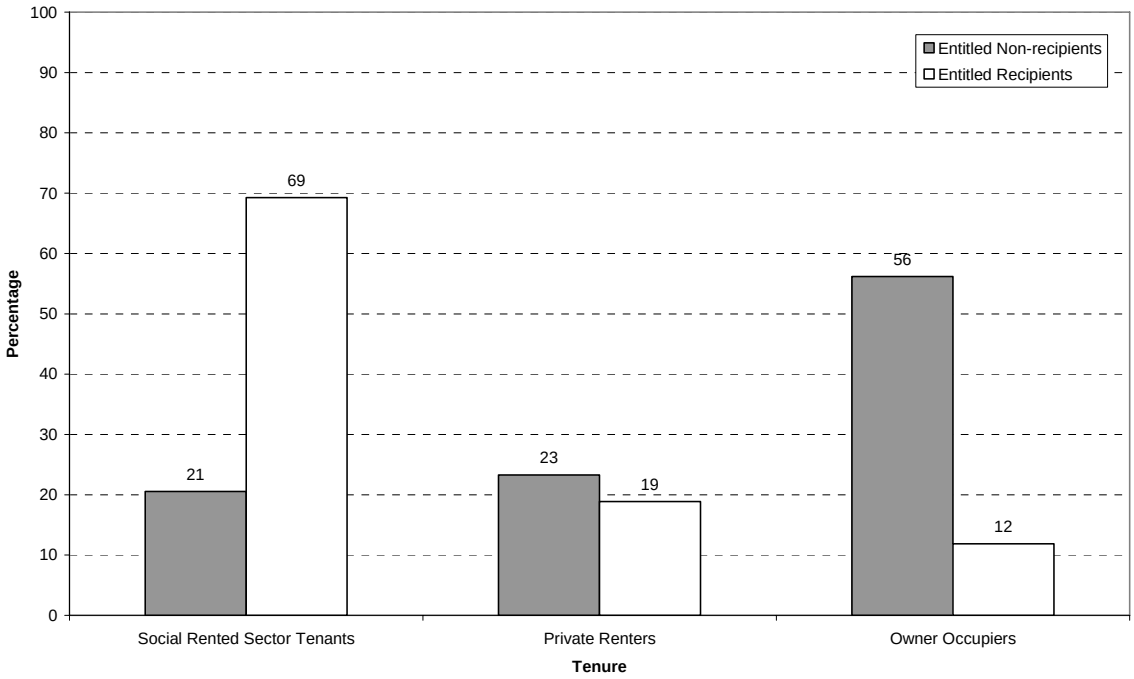
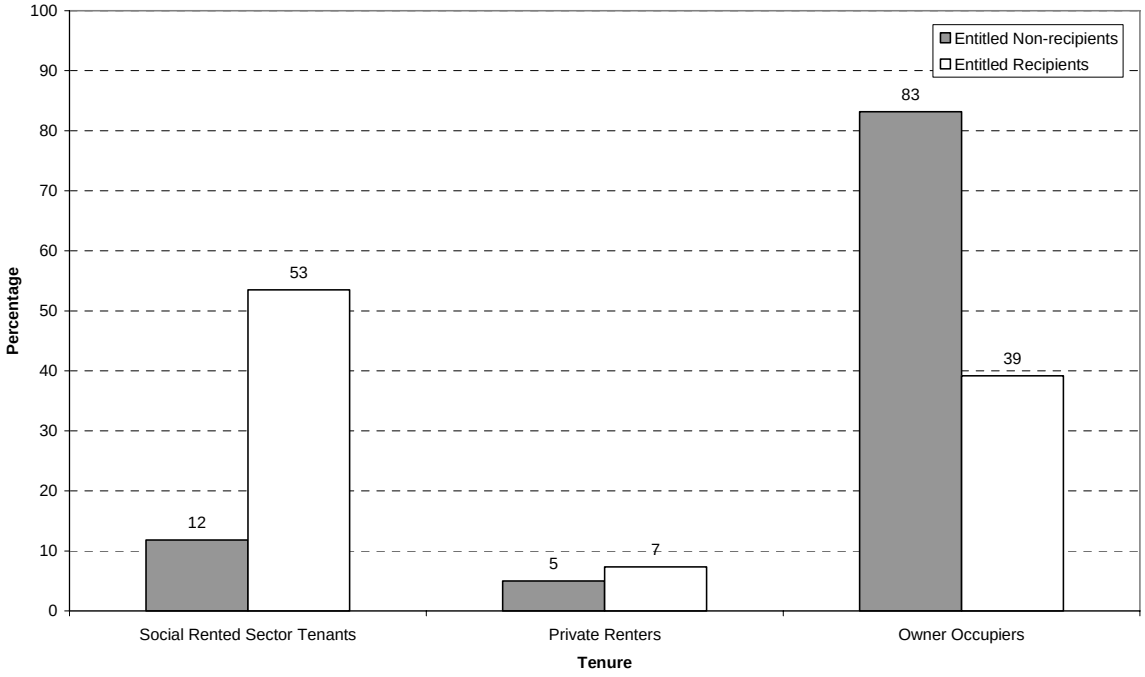


Figure 4.4 shows that for pensioners, there was an even greater proportion of ENRs who were owner occupiers. Just over four-fifths of ENRs owned their own home, while just over half of Entitled Recipients lived in the Social Rented Sector in 2006-07.

Figure 4.4: Pensioner Entitled Non-Recipients and Entitled Recipients by Tenure Type



Whether claiming Housing Benefit

Another difference between ERs and ENRs was in the percentages that were claiming their entitlement to Housing Benefit (which is only available to renters) in addition to Council Tax Benefit. Excluding owner occupiers, we found that 95 per cent of ERs of Council Tax Benefit were in receipt of Housing Benefit compared with only 12 per cent of ENRs. Sixty-five per cent of ENRs of Council Tax Benefit were also ENRs of Housing Benefit compared with only two per cent of entitled Council Tax Benefit recipients.

Recent change in accommodation

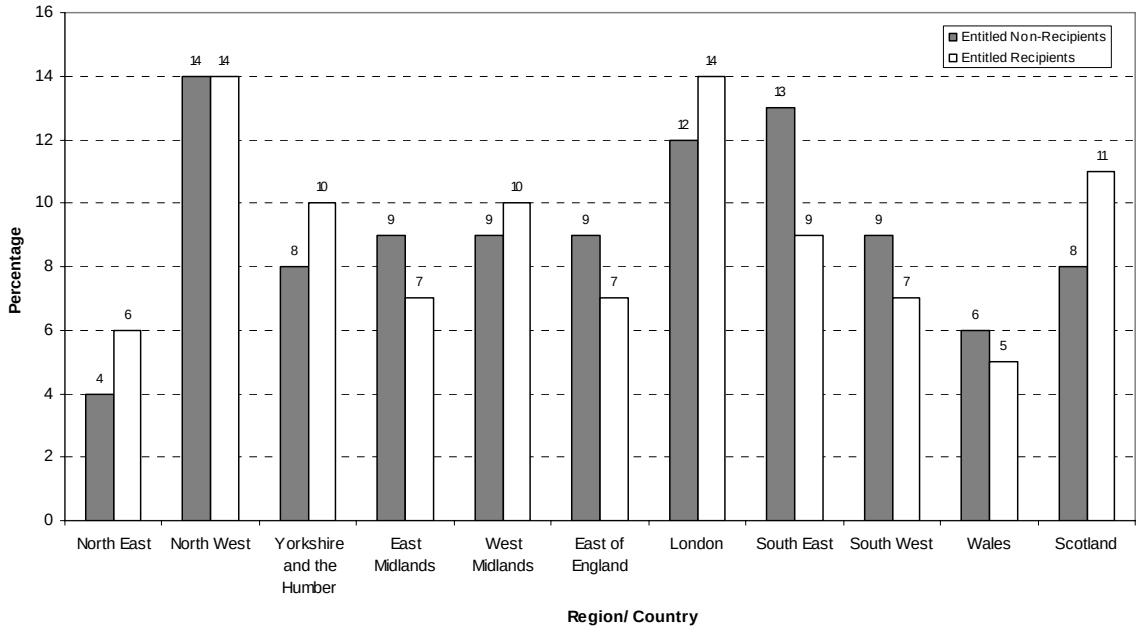
One possible explanation for non-take-up is that people might not have got around to claiming their entitlement when they took part in the FRS. We can look for supporting evidence for this hypothesis from the FRS by comparing the length of time ERs and ENRs lived in their current accommodation. The proportion overall of ERs and ENRs who had moved into a property less than six months ago were 44 per cent and 56 per cent respectively. This suggests that the amount of time that someone spent in a property may have been an influence on the take-up of CTB. This analysis is based on data for 2005-06 and 2006-07.

Region/Country

Figure 4.5 below represents the distribution of Entitled Non-Recipients and Entitled Recipients by region/country. The numbers above the bars shaded grey show what proportion of ENRs lived in each region/country, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs lived in each region/country. Readers should therefore bear in mind that an equal percentage of ENRs and ERs in any region does not mean that there is the same *number* of benefit units in that category.

The greatest proportion of ENRs of Council Tax Benefit lived in the North West region, while the greatest proportion of ERs lived in the North West and London. There were proportionately more ENRs than ERs in the East Midlands, East of England, the South East, the South West and Wales, indicating that take-up may have been lower in these areas.

Figure 4.5: Entitled Non-Recipients and Entitled Recipients by Region/Country



Disability

Seventy-three per cent of pensioner Entitled Recipients had a disabled person (please refer to the glossary for the definition of 'disabled') in the benefit unit, compared with 53 per cent of pensioner Entitled Non-Recipients. For non-pensioner benefit units the equivalent figures were 58 per cent and 33 per cent. These figures indicate that disability may be a factor in the decision to claim Council Tax Benefit.

The percentage of Entitled Non-Recipients and Entitled Recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs of Council Tax Benefit living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median is the income below which half the population lie. This indicator of low income is used in the following analysis, which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[13].

Since 2005-06, HBAI's measurement of the income distribution has been based on incomes in the UK as a whole, and use the OECD equivalisation scale. This comes from the 2004 Spending Review that stipulated that the child poverty measure should be measured on these bases.

This section compares those in Great Britain on the take-up dataset against the UK median based on OECD equivalisation using the HBAI dataset. Take-up estimates are presented for the population in Great Britain, but the definition of 'low income' has used the UK median to be consistent with low-income estimates published in the 'Households Below Average Income' report. Previous analysis has shown that the inclusion of Northern Ireland produces estimates that are virtually indistinguishable whether using GB or UK medians. The position of some ENRs and ERs in the income distribution may have been affected by the incomes of other household members. Figures are calculated both Before Housing Costs (BHC) and After Housing Costs (AHC) for 2005-06 and 2006-07.

[13] *Households Below Average Income (HBAI) 1994/95-2006/07*, (2008) DWP. For access to the publication see the following website: http://www.dwp.gov.uk/asd/hbai.asp

Table 4.7: Percentage of ENRs and ERs below 60 per cent of contemporary median income

Year/Percentage			Before Housing Costs (BHC)	After Housing Costs (AHC)
Pensioners	**ENRs**	2005-06	44%	35%
		2006-07	48%	39%
	ERs	2005-06	26%	26%
		2006-07	27%	28%
Non-Pensioners	**ENRs**	2005-06	72%	77%
		2006-07	71%	77%
	ERs	2005-06	53%	74%
		2006-07	55%	76%

Table 4.7 shows that just less than half of pensioner ENRs lived in low-income households Before Housing Costs, which was significantly larger than the proportion of pensioner ERs, of whom only 27 per cent lived in low income households Before Housing Costs in 2006-07. After Housing Costs the difference in the percentages between the groups were less, where two-fifths of pensioner ENRs lived in households with income below the 60 per cent median threshold, compared with 28 per cent of ERs.

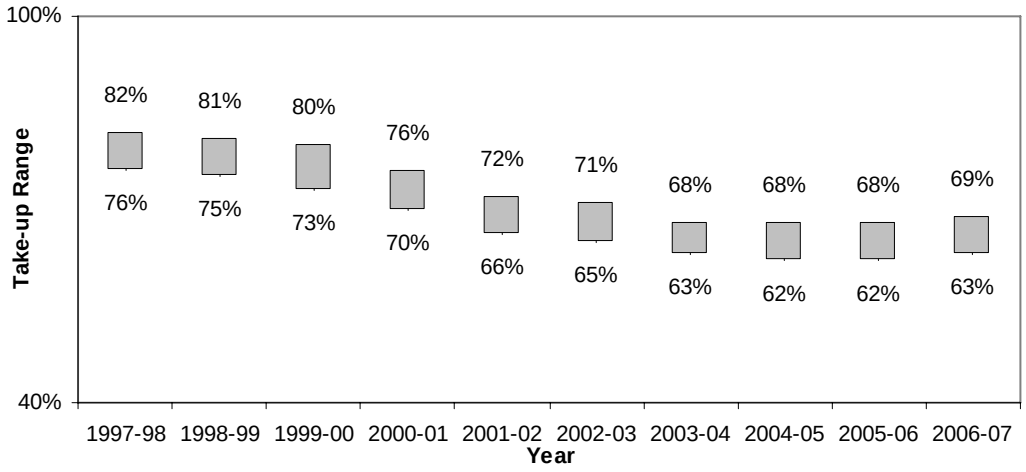
On a Before Housing Costs basis around seven-tenths of non-pensioner ENRs lived in low-income households compared with just more than a half of non-pensioner ERs. After Housing Costs the proportions were around three-quarters for both non-pensioner ENRs and ERs.

Following consultation with users, for this 2006-07 edition, tables showing the position of ERs and ENRs in the income distribution have been removed.

Trends in take-up over time

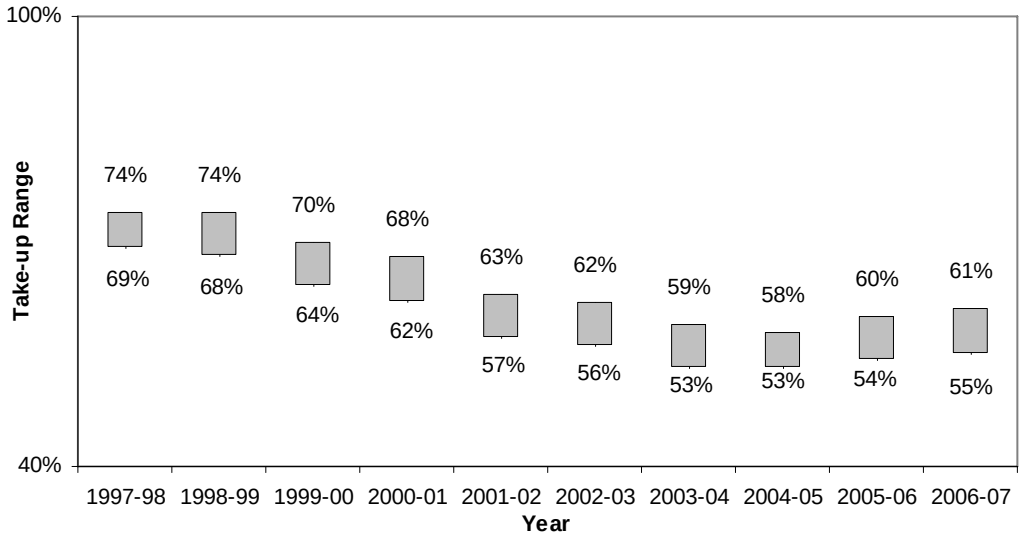
The following section focuses on take-up of main Council Tax Benefit over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997-98. Comparing take-up over time is not straightforward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, other than statistics covering the year prior to the latest published results, estimates of take-up are not recast in light of methodological improvements. The methodology used to determine the direction and extent of take-up has been changed to make it more consistent, and gives a more accurate reflection of the level of change. As a result, the changes may differ from conclusions given in previous publications. The statements made below allow for these complications as best we can.

Figure 4.6: Pattern over time in caseload take-up of Council Tax Benefit



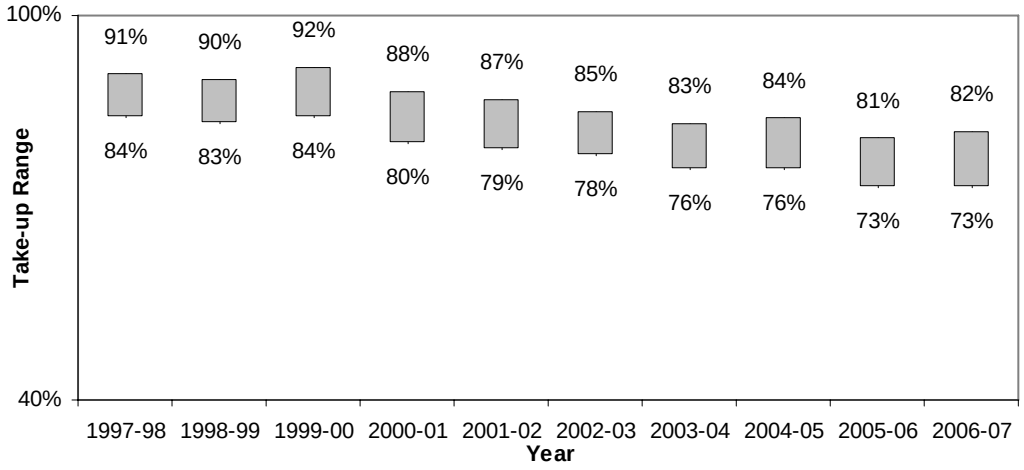
Since 1997-98 the take-up of Council Tax Benefit has seen a fall of at least 12 percentage points. We cannot, however, be sure of this due to changes in certain types of bias over the years. Among those who would have been entitled if Council Tax Benefit had not been increased in real terms, take-up may have fallen by at least four percentage points.

Figure 4.7: Pattern over time in caseload take-up of Council Tax Benefit for pensioners



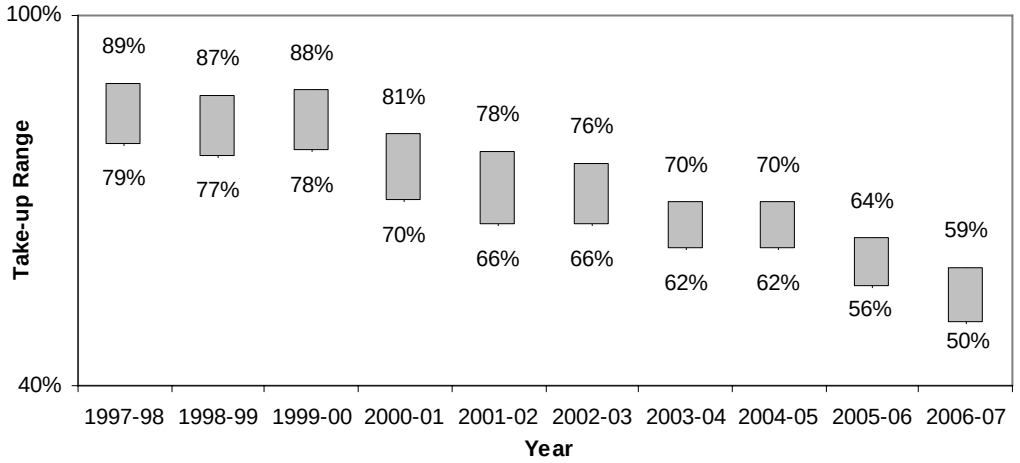
Since 1997-98, amongst pensioners, there was a downwards trend of at least 12 percentage points, though we cannot be sure due to changes in certain types of bias. An analysis of take-up among only those pensioners who would have been entitled if Council Tax Benefit applicable amounts had not been increased in real terms between 1997-98 and 2006-07, suggests take-up fell by a lesser extent, of up to three percentage points. This implies that a significant contribution to the overall reduction between 1997-98 and 2006-07 came from relatively low take-up among pensioners brought into entitlement by higher applicable amounts.

Figure 4.8: Pattern over time in caseload take-up of Council Tax Benefit for non-pensioners



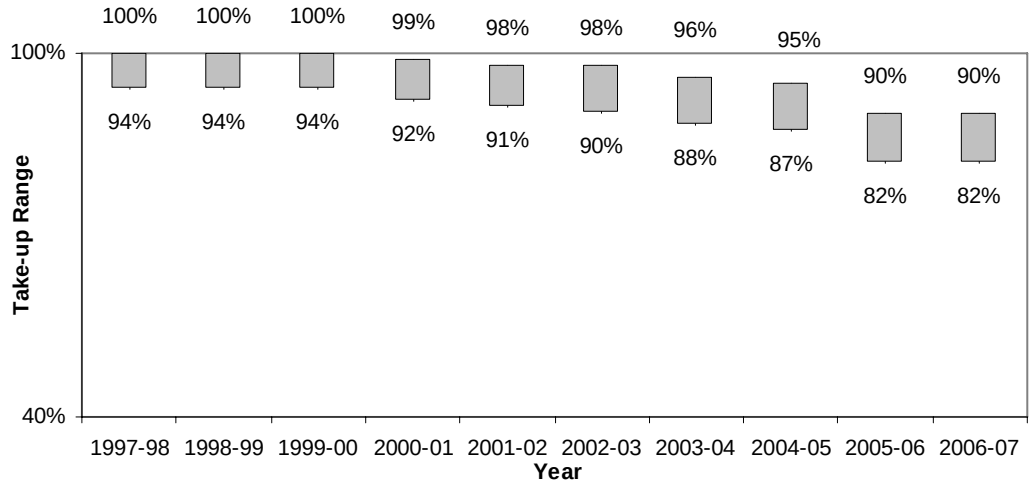
Since 1997-98 there was evidence to suggest that there was a fall in take-up of at least nine percentage points amongst non-pensioners.

Figure 4.9: Pattern over time in caseload take-up of Council Tax Benefit for couples with children



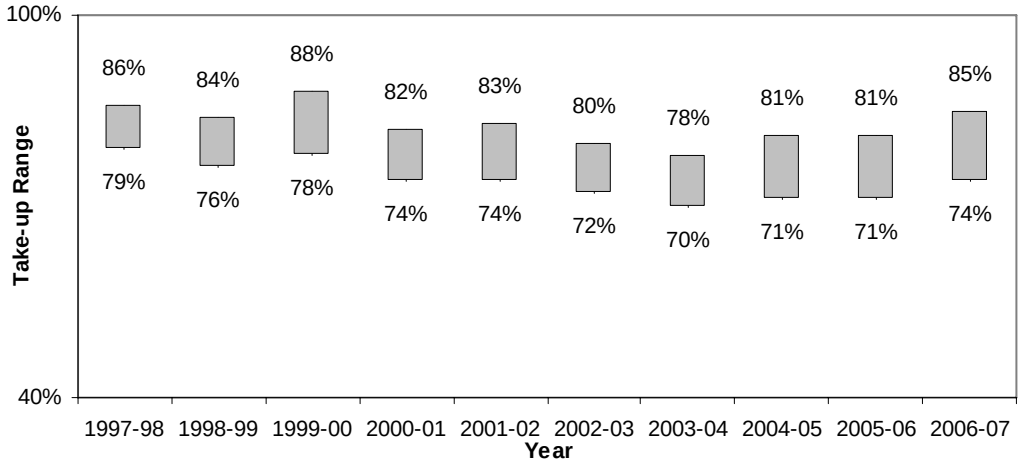
Since 1997-98 there was evidence to suggest that there was a fall in take-up of at least 20 percentage points. Among couples with children who would have been entitled in each year since 1997-98 – without the increases in applicable amounts – the fall in take-up has been less extensive, perhaps around ten percentage points.

Figure 4.10: Pattern over time in caseload take-up of Council Tax Benefit for singles with children



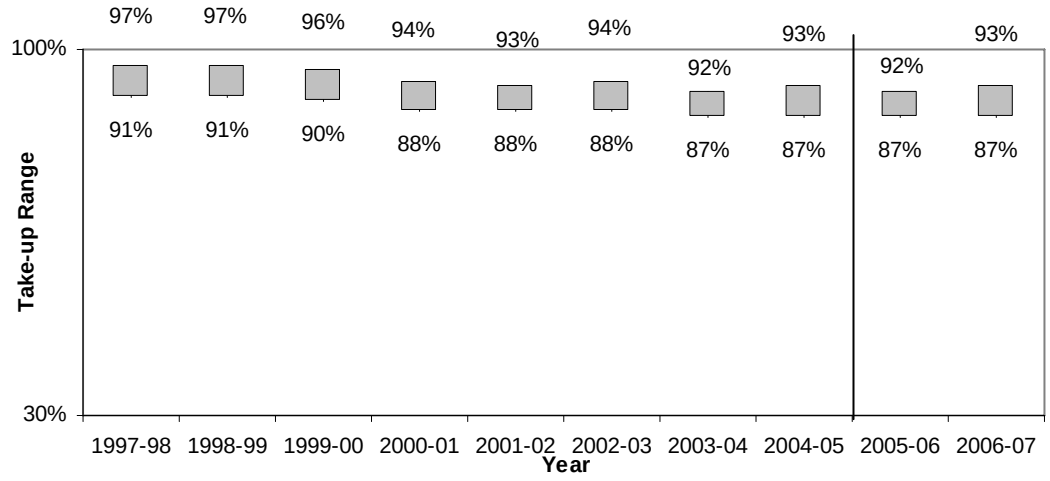
Since 1997-98, there was evidence of a downward trend in take-up of around ten percentage points for singles with children. If we look at take-up of only those who would have been entitled to CTB in each year from 1997-98 even without the increase in applicable amounts, the decline is only up to six percentage points. However, we cannot be certain of this due to changes in bias over the years.

Figure 4.11: Pattern over time in caseload take-up of Council Tax Benefit for others



Since 1997-98, there was evidence of a fall in take-up amongst childless non-pensioner families of at least three percentage points although we cannot be certain because of changes in certain type of bias over the years.

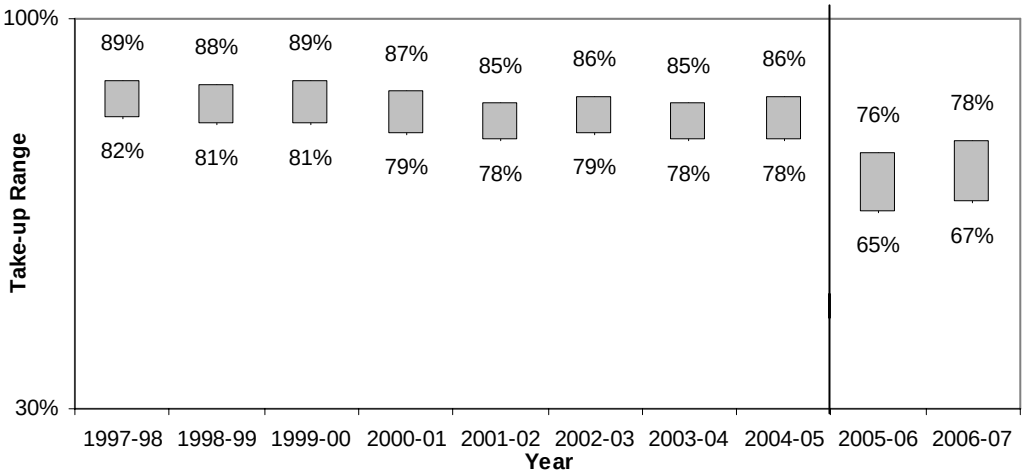
Figure 4.12: Pattern over time in caseload take-up of Council Tax Benefit for social rented sector tenants



Note: Estimates for 2005-06 have been revised a change in definition. See Chapter 6 for more details.

Take-up by those in social rented accommodation not including Housing Association (HA) and Registered Social Landlord (RSL) tenants fell by around three percentage points between 1997-98 and 2004-05. Between 2005-06 and 2006-07, when HA and RSL tenants were incorporated into the definition of social rented sector tenants, there was no evidence of any change in take-up for this group. For further details of the change in definition of tenure types, please see Chapter 6.

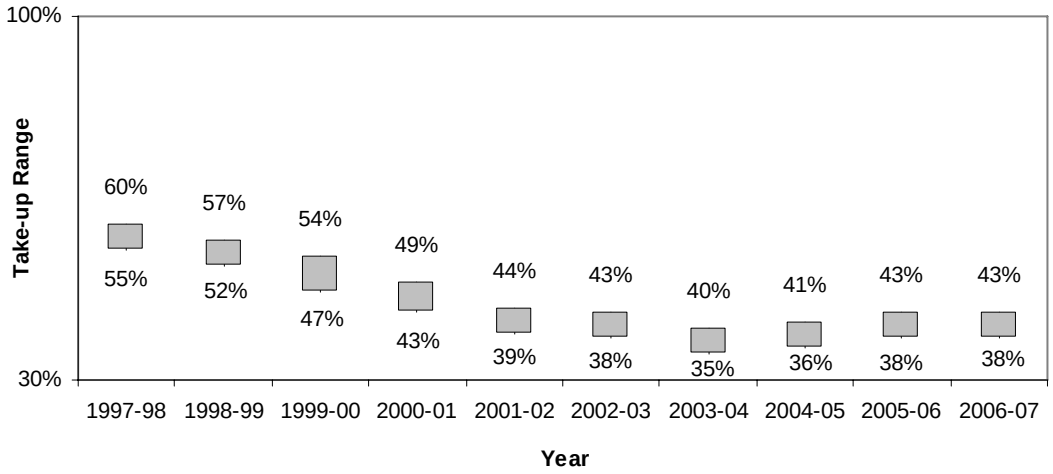
Figure 4.13: Pattern over time in caseload take-up of Council Tax Benefit for private renters



Note: Estimates for 2005-06 have been revised due to improvements in methodology. See Chapter 6 for more details.

Take-up by private tenants, when the definition included those renting from a Housing Association (HA) or Registered Social Landlord (RSL) increased by at least four percentage points between 1997-98 and 2004-05. Between 2005-06 and 2006-07, when the definition of private renters did not include those renting from HAs or RSLs, there was an increase in take-up of around two percentage points. For further details of the change in definition of tenure types, please see Chapter 6.

Figure 4.14: Pattern over time in caseload take-up of Council Tax Benefit for owner occupiers



Since 1997-98, there was evidence of a fall in take-up amongst owner occupiers of at least 14 percentage points, though we cannot be sure due to changes in certain types of bias over the years. For those who would have been entitled in each year since 1997-98 the decline was probably around seven percentage points.

Chapter 5

Jobseeker's Allowance

Key results

All Jobseeker's Allowance (Income-Based)

- **Caseload take-up**: between 49% and 60% overall
- **Expenditure take-up**: between 52% and 64% overall
- **Change since 2005-06**: there was no evidence of any change in caseload take-up
- **Change since 1997-98**: there has been a fall in caseload take-up of at least 11 percentage points

Characteristics of Entitled Non-Recipients (ENRs)

- **Amounts unclaimed**: On average, ENRs were entitled to lower amounts of JSA (IB) than Entitled Recipients (ERs)
- **Status in the household**: less than a quarter of ENRs were the head of their household, compared with more than two-fifths of ERs
- **Length in time between ceasing employment and claiming benefit**: twenty-six per cent of ENRs were unemployed for three months or less, compared with 11 per cent of ERs
- **Region/Country**: the greatest proportion of both ENRs and ERs of Jobseeker's Allowance (IB) lived in London
- **Disability**: twenty per cent of Entitled Recipients had a disabled person in the benefit unit, compared with 14 per cent of Entitled Non-Recipients
- **Percentage living in low-income households**: fifty-five per cent of ENRs lived in low-income households on a Before Housing Costs basis, which was lower than the corresponding proportion of ERs. After Housing Costs, less than two-thirds of ENRs lived in low-income households compared with four-fifths of ERs

Introduction

Jobseeker's Allowance (JSA) was introduced in October 1996 and is a benefit with two routes of entry. Claimants who have paid sufficient National Insurance contributions get contribution-based JSA. Those who do not qualify for, or whose needs are not met by, contribution-based JSA may qualify for income-based JSA for themselves and their dependants according to need. **The figures presented in this chapter refer only to the income-based element of Jobseeker's Allowance**. **This will be referred to from this point on as Jobseeker's Allowance (IB)**.

The rules for income-based Jobseeker's Allowance are similar to those for Income Support except for the additional requirements that claimants must demonstrate that they are available for and are actively seeking work. However, the Family Resources Survey does not allow us to model the "actively seeking work" criteria correctly and we therefore do not take account of this information. Therefore, some of our modelled ENRs appear not to be searching for a job. However, we assume that these ENRs are still entitled to make a claim, and will be entitled to JSA (IB) provided that from the *date of the claim/receipt* they can demonstrate they are actively searching for a job. This reflects the reality that Entitled Non-Recipients do not have to be actively searching for a job as they are not required to, given they have not signed a Jobseeker's Agreement and are therefore not in receipt.

This means that for some ENRs of Jobseeker's Allowance, they will also appear to be entitled to Income Support. To get around this, we have to make some assumptions based on the available data. These assumptions include a series of rules:

Men over 60 but under 65 and singles with children may claim either Pension Credit/Income Support or Jobseeker's Allowance (IB). For those who had an underlying entitlement to both of these benefits we cannot determine which one they might claim. In practice we know that the vast majority of these cases would have claimed Pension Credit/Income Support, because DWP administrative data shows that only very small numbers of these groups claim JSA (IB). Analysis of DWP Quarterly Statistical Enquiry (QSE) administrative data shows an average of 204,000 men aged 60-64 were claiming Pension Credit in 2006-07 while only 3,000 were claiming JSA (IB) over the same period. The 3,000 JSA (IB) recipients represented around one per cent of men aged 60-64 in receipt of either benefit.

Similarly, an average of 870,000 singles with children were claiming Income Support in 2006-07 while only 17,000 were claiming Jobseeker's Allowance (IB) over the same period. Those claiming JSA (IB) represent around two per cent of singles with children in receipt of either Income Support or Jobseeker's Allowance (IB); so, for the purposes of estimating take-up we have made the assumption that men aged over 60 but under 65 and singles with children would have claimed Pension Credit/Income Support, rather than Jobseeker's Allowance (IB), if they have reported receipt of neither but appeared initially to be entitled to both.

Guide to tables

Tables 5.1 and 5.2 present caseload and expenditure take-up statistics respectively for Jobseeker's Allowance (IB). Statistics are sub-divided into three non-pensioner family types – couples with children, single males and single females. Results for childless couples are not presented since they are not statistically robust. Results for singles with children are not included since we model all singles with children as entitled to claim Income Support rather than JSA (IB). The previous paragraph explains the reasoning behind this.

Readers will notice that components do not always sum to totals in the tables. This is because 95 per cent confidence intervals have been calculated separately for components and totals in order to take account of sampling error. Take-up statistics are presented as ranges that reflect the maximum

plausible upward and downward effects of bias on the baseline figures. Where ranges are wide, uncertainties as to biases account for the major part.

Additional tables in the 'Further Analysis' section give an indication of what proportion of Entitled Non-Recipients and Entitled Recipients in Great Britain had incomes below 60 per cent of contemporary median income. In response to user demand, analyses looking at where ENRs and ERs were in the income distribution (by quintile) have been dropped from this publication. The section also provides a comparison of the characteristics of Entitled Non-Recipients with those of Entitled Recipients and, in doing so, explores some of the possible reasons for non-take-up. Geographical and disability comparisons are provided for the first time.

Technical note on the results in this chapter

The statistics presented for couples with children were obtained by combining two years' data together. Statistics presented for 2005-06 are based on analyses of 2004-05 and 2005-06 data combined, while statistics presented for 2006-07 are based on analyses of 2005-06 and 2006-07 data combined. This was because sample sizes were too small to produce robust estimates based on a single year's data. Estimates of take-up by childless couples have not been presented since they were not statistically robust. Estimates of take-up by singles with children are not presented since we model this group as entitled to Income Support rather than JSA (IB).

Estimates of unclaimed amounts should be treated with caution. This is because the sample sizes for estimated Entitled Non-Recipients, on which the figures are based, tend to be small. Particular caution should be taken with expenditure-based results for single males. This is because analysis shows that there is a large difference between the amounts of modelled entitled and amounts claimed for those in receipt for this group.

Child Tax Credit (CTC) was introduced in April 2003 and is paid to eligible families with children. In due course child premia paid through Jobseeker's Allowance (and Income Support) will be fully replaced by the CTC. From 2004-05 onwards, any new Jobseeker's Allowance (IB) recipients started to receive CTC from Her Majesty's Revenue and Customs (HMRC) instead of the child premia through their Jobseeker's Allowance (IB). Therefore, in our modelling of entitlement, we have taken this migration into consideration and the subsequent results presented in this publication are based both on the existing benefit rules and on the new benefit rules whereby child premia are not assigned when modelling entitlement. Our modelling of child premia makes use of whether a benefit unit has reported receipt of CTC. There is a mismatch between the numbers of CTC recipients on the FRS when compared with administrative data, which may be a source of bias in the results in this chapter.

Data on recipients are based on the Work and Pensions Longitudinal Study, which covers 100 per cent of claimants.

Results

Table 5.1: Caseload take-up of Jobseeker's Allowance by family type

	Year	Couples With Children	Single Males	Single Females	All
					(Thousands)
Number of	2005-06	60	380	140	580
Recipients	2006-07	70	410	150	620
Range of Entitled	2005-06	10 : 20	250 : 360	130 : 210	400 : 570
Non-Recipients	2006-07	10 : 20	260 : 410	140 : 230	420 : 640
					(Percentages)
Take-Up	2005-06	75 : 88	51 : 61	40 : 51	50 : 59
Ranges	2006-07	74 : 88	50 : 61	40 : 52	49 : 60

Note:

Estimates for couples with children presented for 2005-06 are based on combined 2004-05 and 2005-06 data.

Estimates for couples with children presented for 2006-07 are based on combined 2005-06 and 2006-07 data.

Estimates of the 2005-06 take-up ranges for couples with children have been revised due to changes in methodology.

See Chapter 6 for more details.

Table 5.2: Expenditure take-up of Jobseeker's Allowance by family type

	Year	Couples With Children	Single Males	Single Females	All
					(Pounds)
Average Weekly	2005-06	101.8	52.2	49.9	56.9
Amount Claimed	2006-07	91.0	53.4	51.0	56.8
Average Weekly	2005-06	70.4	46.4	45.5	48.1
Amount Unclaimed	2006-07	73.2	46.9	45.7	49.0
Median Weekly	2005-06	87.3	44.5	44.5	44.5
Amount Unclaimed	2006-07	88.2	45.5	45.5	45.5
					(Millions of Pounds)
Total Amount	2005-06	330	1,040	360	1,720
Claimed	2006-07	310	1,130	400	1,840
Total Range	2005-06	30 : 90	560 : 920	290 : 520	970 : 1,480
Unclaimed	2006-07	30 : 100	590 : 1,070	310 : 580	1,040 : 1,700
					(Percentages)
Take-Up	2005-06	79 : 92	53 : 65	41 : 55	54 : 64
Ranges	2006-07	76 : 91	52 : 66	41 : 57	52 : 64

Note:

Estimates for couples with children presented for 2005-06 are based on combined 2004-05 and 2005-06 data.

Estimates for couples with children presented for 2006-07 are based on combined 2005-06 and 2006-07 data.

Estimates of the 2005-06 take-up ranges for couples with children have been revised due to changes in methodology.

See Chapter 6 for more details.

Take-up of Jobseeker's Allowance (IB) was highest for couples with children on both the caseload and expenditure measures. Taking into account all the evidence available, take-up appeared to be the lowest amongst single females, although it is not possible to be certain due to the fact that the ranges of take-up overlapped between single females and single males.

There was no conclusive evidence of any change in overall take-up of Jobseeker's Allowance (IB) between 2005-06 and 2006-07. This conclusion held for all family types.

In common with the other income-related benefits, average unclaimed amounts of Jobseeker's Allowance (IB) had a tendency to be lower than average amounts claimed, resulting in higher ranges of take-up rate by expenditure than by caseload.

Further analysis of those entitled to but not receiving Jobseeker's Allowance (IB)

This section provides further analysis of those identified as Entitled Non-Recipients (ENRs) in our modelling. Where appropriate, we contrast the characteristics of ENRs with those that were entitled and in receipt of Jobseeker's Allowance (IB), and in doing so explore some of the possible causes of non-take-up.

There are two caveats that the reader must bear in mind when interpreting these analyses. Firstly, a significant proportion of modelled ENRs may not have been true ENRs, and a significant proportion of true ENRs may not have been identified in our modelling. Secondly, these analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits (for more on this see Chapter 6) and so they should be treated with some caution. For some of the analyses, data from the 2005-06 and 2006-07 Family Resources Surveys have been combined to make results more robust.

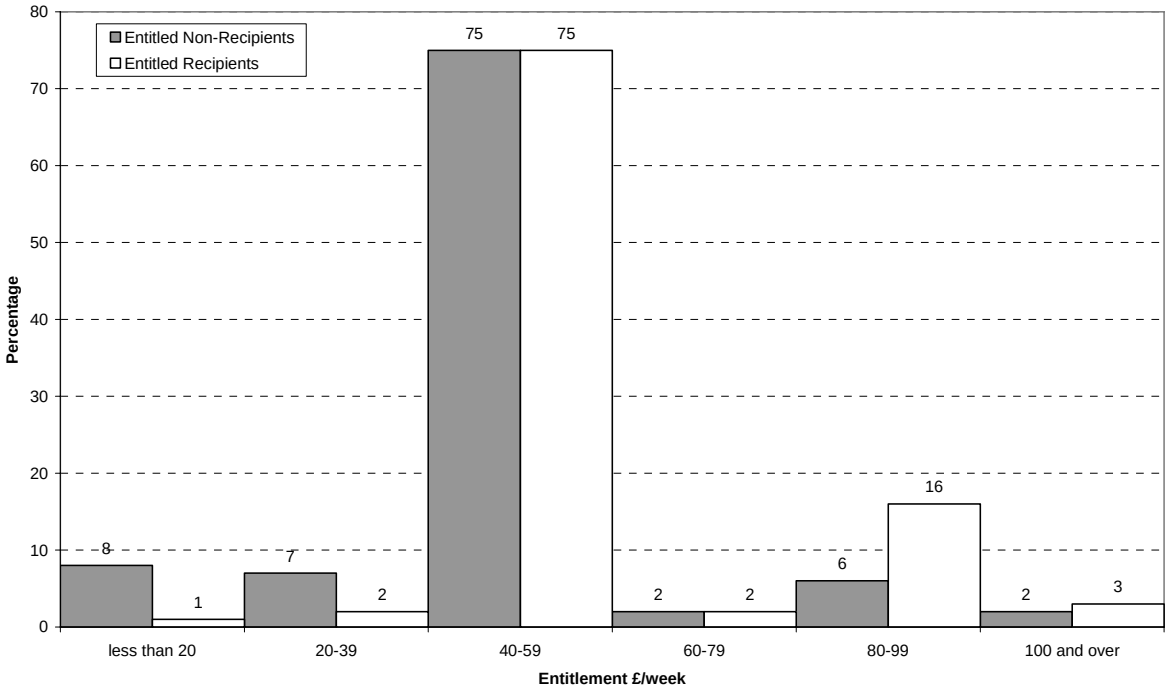
Amounts unclaimed

One possible reason why people do not take up benefits to which they are entitled is because they regard the amounts they might receive as not worth the effort of claiming. Alternatively, those with less entitlement may be less confident of their entitlement and therefore do not claim. Figure 5.1 shows the percentage of ENRs and Entitled Recipients (ERs) against bands of entitlement to Jobseeker's Allowance (IB). In previous editions, information was presented for all three family types published in this chapter; small sample sizes have prevented this disaggregation in this 2006-07 edition.

The numbers above the bars shaded grey show what proportion of ENRs are in each category of entitlement, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs were in each category of entitlement. Readers should therefore bear in mind that an equal percentage of ENRs and ERs in any one category does not mean that there is the same *number* of benefit units in that category.

The chart shows that smaller amounts were less likely to be claimed.

Figure 5.1: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Jobseeker's Allowance (IB)



Note: this chart is based on data for 2005-06 and 2006-07

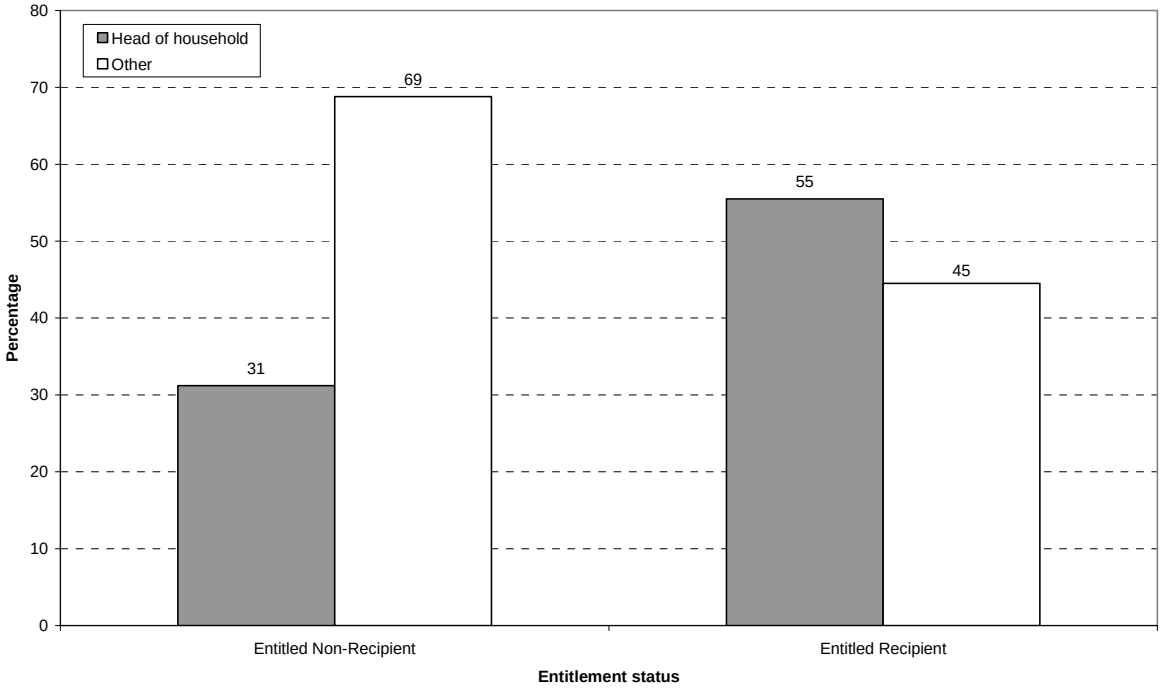
Status in household and age

Another possible explanation for non-take-up is that young adults may choose not to claim as they already receive some form of support from other members of their household. Figure 5.2 shows the relationship between benefit receipt by entitled people and their status within the household. Less than a third of Entitled Non-Recipients (ENRs) were the head of their household compared with more than half of Entitled Recipients (ERs).

Entitled Non-Recipients (ENRs) were more likely to be younger than Entitled Recipients (ERs), with around 55 per cent of ENRs of Jobseeker's Allowance (IB) under 25 years of age, compared with 40 per cent of ERs, in 2005-06 and 2006-07.

In the case of single men and women, the majority of ENRs of Jobseeker's Allowance (IB) were young adults who were not the head of the household. This was true for 77 per cent of single male and 70 per cent of single female ENRs. Further analysis of these showed that more than four-fifths of single male and female ENRs were young people living with their parents. These results relate to 2005-06 and 2006-07.

Figure 5.2: Status in household for Entitled Non-Recipients and Entitled Recipients



Note: this chart is based on data for 2005-06 and 2006-07

Length of time between ceasing employment and claiming benefit

Another possible explanation for non-take-up is that some people may not claim Jobseeker's Allowance (IB) as soon as they become eligible to do so; for example, some people may take a few days or weeks to get around to claiming and others may choose not to claim in the short term, hoping that they will find employment quickly. We can get some feel for the extent of this behaviour by examining the FRS data, as people may not have got around to claiming benefit at the time of their FRS interview. The data, based on the FRS in 2006-07, showed that around 26 per cent of ENRs had been unemployed for three months or less compared with 11 per cent of Entitled Recipients. This suggests that length of time unemployed could be a factor affecting the take-up of Jobseeker's Allowance (IB).

Length of time spent unemployed may also be a factor in the difference in take-up between single females and single males. Analysis of DWP administrative records[14] lends tentative support to this notion. The average inflow rate[15] for single males was 48 per cent between May 2006 and February 2007, compared with 55 per cent for single females. The average outflow rate[16] over the same period was 58 per cent for single males and 64 per cent for single females. This suggests that single females had a tendency to have shorter spells on Jobseeker's Allowance (IB) compared with males.

Region/Country

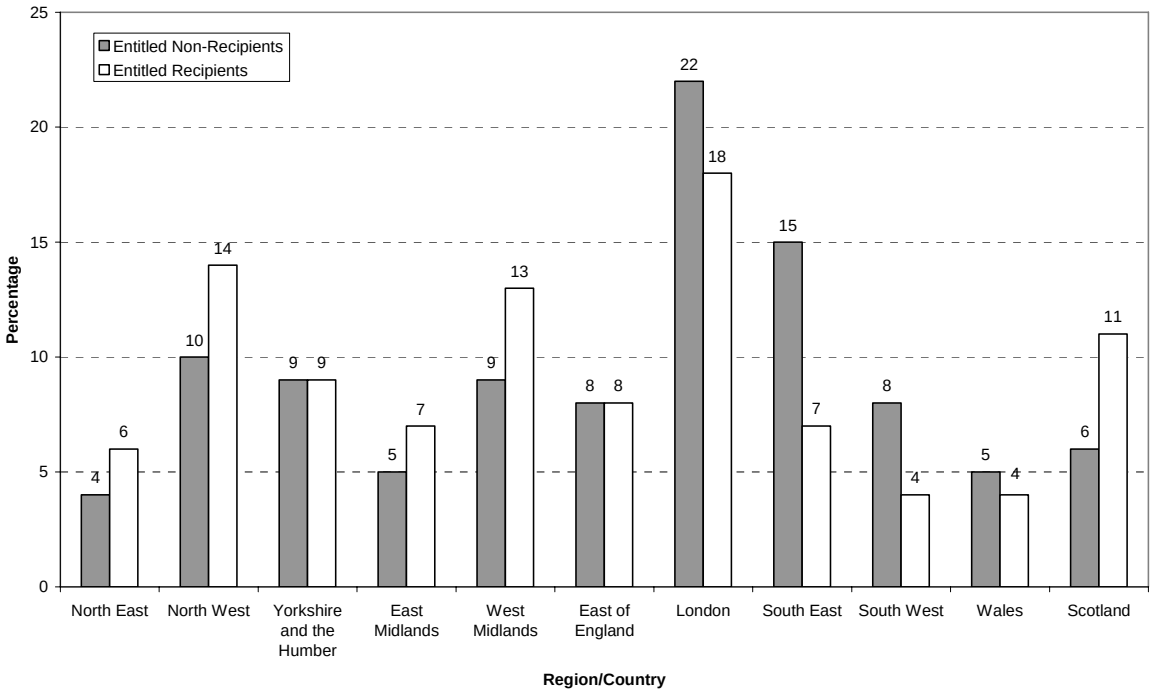
Figure 5.3 presents the distribution of Entitled Non-Recipients and Entitled Recipients by region/country. The numbers above the bars shaded grey show what proportion of ENRs lived in each region/country, and therefore sum to 100 (although may not due to rounding). The numbers above the bars shaded white show what proportion of ERs lived in each region/country. Readers

[14] Analyses of Jobseeker's Allowance Quarterly Statistical Enquiries August 1997 – February 2007 and terminated claims.
[15] Inflow rate = numbers coming onto benefit ÷ total number on benefit
[16] Outflow rate = numbers leaving benefit ÷ total number on benefit

should therefore bear in mind that an equal percentage of ENRs and ERs in any region does not mean that there is the same *number* of benefit units in that category.

The greatest proportion of both ENRs and ERs of Jobseeker's Allowance (IB) lived in London. There were proportionately more ENRs than ERs in London, the South West, the North West and Wales, indicating that take-up may have been lower in these areas.

Figure 5.3: Entitled Non-Recipients and Entitled Recipients by Region/Country



Note: this chart is based on data for 2005-06 and 2006-07

Disability

Twenty per cent of Entitled Recipients had a disabled person (please refer to the glossary for the definition of 'disabled') in the benefit unit, compared with 14 per cent of Entitled Non-Recipients. These figures indicate that disability may be a factor in the decision to claim Jobseeker's Allowance.

The percentage of Entitled Non-Recipients and Entitled Recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs living in low-income households. One commonly-used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median income is the income below which half the population lie. This indicator of low income is used in the following analysis which combines benefit unit level take-up datasets with household equivalised income results from the 'Households Below Average Income' publication[17]. From 2005-06, HBAI's measurement of the income distribution is based on incomes in the UK as a whole, and uses the OECD equivalisation scale. This comes from the 2004 Spending Review that stipulated that the child poverty measure should be measured on these bases.

[17] *Households Below Average Income (HBAI) 1994/95-2006/07*, (2007) DWP. For access to the publication see the following website: http://www.dwp.gov.uk/asd/hbai.asp

This section compares those in Great Britain on the take-up dataset against the UK median based on OECD equivalisation using the HBAI dataset. Take-up estimates are presented for the population in Great Britain, but the definition of 'low income' has used the UK median to be consistent with low-income estimates published in the 'Households Below Average Income' report. Previous analysis has shown that the inclusion of Northern Ireland produces estimates that are virtually indistinguishable whether using GB or UK medians. The position of some ENRs and ERs in the income distribution may have been affected by the incomes of other household members. Figures are calculated both Before Housing Costs (BHC) and After Housing Costs (AHC) for 2005-06 and 2006-07.

Table 5.3: Percentage of ENRs and ERs below 60 per cent of contemporary median income

		Year/Percentage	Before Housing Costs (BHC)	After Housing Costs (AHC)
All	**ENRs**	2005-06	59%	69%
		2006-07	55%	63%
	ERs	2005-06	72%	84%
		2006-07	69%	80%

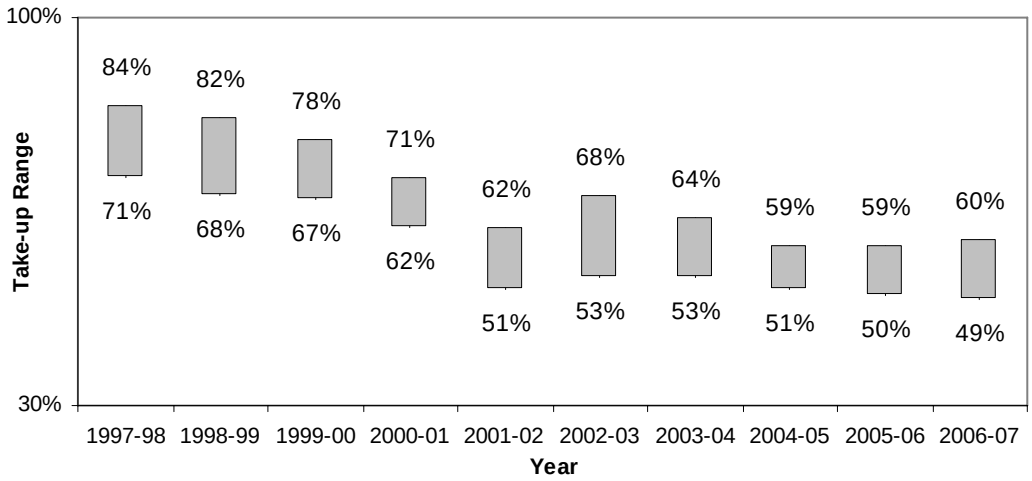
Table 5.3 shows that Before Housing Costs, the proportion of ENRs living in low-income households in 2006-07 was 55 per cent, which was lower than the corresponding proportion of ERs. After Housing Costs, less than two-thirds of ENRs lived in low-income households compared with four-fifths of ERs.

Following consultation with users, for this 2006-07 edition, tables showing the position of ERs and ENRs in the income distribution have been removed.

Trends in take-up over time

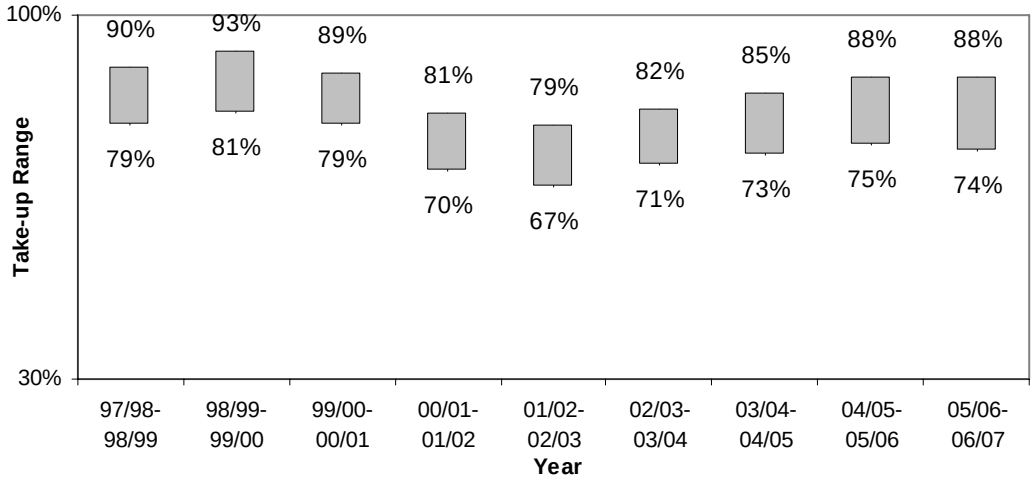
The following section focuses on take-up of Jobseeker's Allowance (IB) over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997-98. Comparing take-up over time is not straightforward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, other than statistics covering the year prior to the latest published results, estimates of take-up are not recast in light of methodological improvements. The methodology used to determine the direction and extent of take-up has been changed to make it more consistent, and gives a more accurate reflection of the level of change. As a result, the changes may differ from conclusions given in previous publications. The statements made below allow for these complications as best we can.

Figure 5.4: Pattern over time in caseload take-up of Jobseeker's Allowance (IB)



Since 1997-98, the evidence suggests that the take-up of Jobseeker's Allowance (IB) has fallen by at least 11 percentage points.

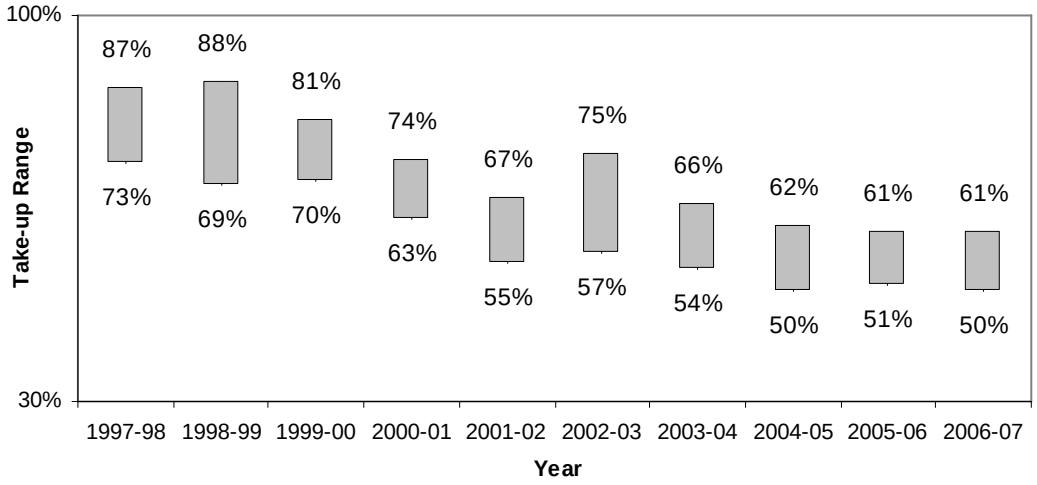
Figure 5.5: Pattern over time in caseload take-up of Jobseeker's Allowance for couples with children



Notes: Estimates are based on combined two years' data. Estimates of the 2004/05-2005/06 caseload take-up ranges have been revised due to changes in methodology. See Chapter 6 for more details.

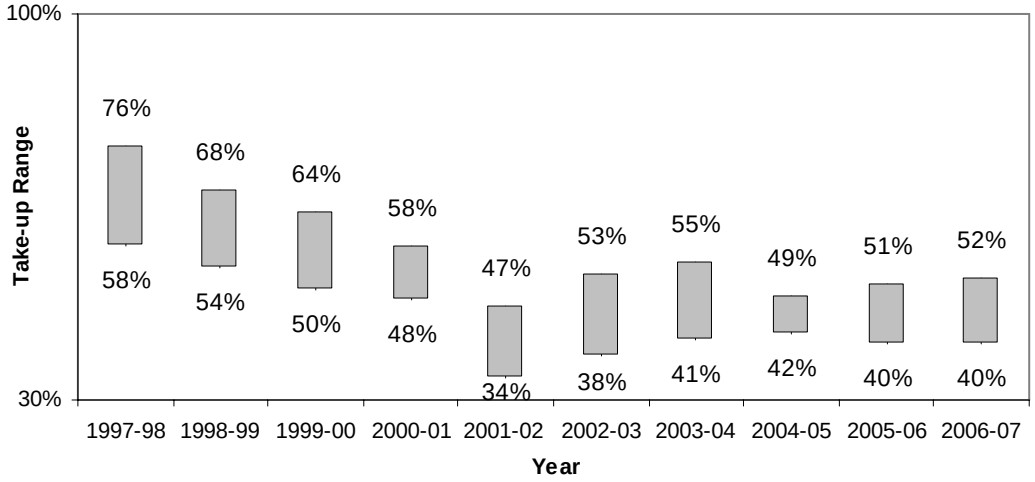
There was evidence to suggest that take-up fell between 1997/98-1998/99 and 2005/06-2006/07, possibly by at least seven percentage points, though sampling and other potential errors make it difficult to quantify the change.

Figure 5.6: Pattern over time in caseload take-up of Jobseeker's Allowance (IB) for single males without children



Since 1997-98, there is evidence to suggest that the take-up of Jobseeker's Allowance (IB) by single males has fallen, possibly by at least 12 percentage points, though due to high and gradually increasing levels of bias in our modelling we cannot be certain of this.

Figure 5.7: Pattern over time in caseload take-up of Jobseeker's Allowance (IB) for single females without children



Since 1997-98 there has been a trend fall in take-up of at least six percentage points, though due to high and gradually increasing levels of bias in our modelling we cannot be certain of this.

Chapter 6

Methods, Data Sources and Revisions

The statistics presented in this publication are based on the following definitions of take-up:

Caseload:

$$\frac{\text{Average no. of Benefit Units (BUs) receiving benefit}}{\text{Average no. of BUs receiving benefit + Average no. of BUs entitled but not receiving benefit}}$$

Expenditure:

$$\frac{\text{Total amount of benefit received in the course of the year}}{\text{Total amount of benefit received + Total amount of benefit unclaimed}}$$

Take-up estimates are presented as ranges and are calculated in three stages:

i) Firstly, the baseline estimates are obtained from a combination of administrative data and Family Resources Survey (FRS) data.

ii) Secondly, an assessment of the biases in these estimates is made, using various sources of information, and range estimates are calculated.

iii) Finally, a 95 per cent confidence interval is placed around the range estimates to take account of the potential effects of sampling variation. It can then be assumed that true take-up lies within the resulting range estimates.

The baseline estimates

The DWP administrative records allow us to estimate the number of recipients (Rs) of Income Support, Pension Credit and Jobseeker's Allowance (IB), and DWP statistical extracts from Local Authority administrative records allow us to estimate the number of Rs of Housing Benefit and Council Tax Benefit. Analysis of the FRS produces estimates of the number of Entitled Non-Recipients (ENRs).

Using the definition of caseload take-up given above for each benefit gives a simple formula for baseline take-up:

$$\textit{Caseload take-up} = \frac{R_{admin}}{R_{admin} + ENR_{FRS}}$$

where subscripts refer to the data source.

The formula for baseline expenditure take-up is as follows:

$$\textit{Expenditure take-up} = \frac{R_{admin} \times \pounds R_{admin}}{(R_{admin} \times \pounds R_{admin}) + (ENR_{FRS} \times \pounds ENR_{FRS})}$$

with £R and £ENR being the average weekly amounts received by recipients and unclaimed by Entitled Non-Recipients.

Calculation of error ranges

We attempt to allow for the potential bias in the baseline estimates before applying the 95 per cent confidence intervals. Earlier work[18] has identified five sources of error that can significantly distort the baseline estimates of caseload take-up:

- over-statement of entitlement – this occurs when a benefit unit that is not truly entitled to benefit is calculated, by an analyst, to be entitled
- under-statement of entitlement – this occurs when a benefit unit that is truly entitled to benefit is calculated, by an analyst, not to be entitled
- under-reporting of benefit receipt in the FRS – this occurs when someone receiving the benefit fails to report receipt in the FRS interview. For example, under-reporting may occur as misreporting if a person receiving £70 a week Retirement Pension and £5 Pension Credit, reports that they actually receive £75 Retirement Pension.
- inaccurate grossing-up of FRS counts – as the FRS is a survey of only a sample of the population, counts derived from the FRS need to be grossed-up – i.e. multiplied up to reflect the true numbers of various family types and people of different ages in the population – to give meaningful estimates of the actual number of Recipients or Entitled Non-Recipients in the population. Inaccurate grossing-up will result in either under or over-estimation of the number of Recipients or Entitled Non-Recipients in the population.
- payment of benefit to non-entitled benefit units – this is fairly self-explanatory. It may occur for several reasons: administrative error, inaccurate information given to the benefit office or delays in responding to a change in circumstances.

An assessment of the extent of these errors must be made from available evidence, which unfortunately is often ambiguous. Generally though, it is possible to identify upper and lower limits on the likely extent of each error. These limits for individual errors are then grouped together to generate upper and lower bounds of the true number of Entitled Non-Recipients. Of the errors listed above, only the last affects the count of recipients, but no adjustment is made because the definition of take-up allows for the inclusion of Non-Entitled Recipients. Hence, the range of true take-up can be calculated from the recipient counts and the range for ENRs.

To produce estimates of true expenditure take-up, further information is required about the effect of errors on the estimated amounts that Entitled Non-Recipients do not claim. At present there is insufficient information to tell whether these estimated amounts are systematically different from the true amounts left unclaimed. Without any extra information it is assumed that the estimated amount unclaimed is an unbiased estimator of the true amount unclaimed.

[18] *Analytical Notes: Number 3. The take-up of income related benefits: Inaccuracies in the estimation of take-up rates*, (1994) Gordon Harris, DSS.

The range of true expenditure take-up is therefore calculated by combining the measured average amount received and the average estimated amount unclaimed with the higher and lower limits of true caseload take-up. For instance, if the true range of caseload take-up is from 65 per cent to 80 per cent, and the average claimed amount is £20, and the average unclaimed amount is estimated to be £5, then the range for true expenditure take-up will be from (65 x 20)/[(65 x 20)+(35 x 5)] to (80 x 20)/[(80 x 20)+(20 x 5)] i.e. from 88 per cent to 94 per cent.

This calculation is based on the assumption that estimates of the average amount unclaimed are accurate. In practice this may not always be the case, and so we cannot be as confident that true expenditure take-up lies within the range presented here as we can that true caseload take-up lies within its range. The average weekly amount unclaimed is presented as a single estimate as insufficient information is available to allow identification of a range. In practice, the 'All' average amount unclaimed is a weighted average of the average amounts unclaimed by each family/tenure type, where the weights are the baseline estimates of the number of ENRs.

Assessing the extent of errors in baseline estimates

In the process of moving from baseline estimates to take-up ranges, the key analytical work comes in estimating upper and lower limits for the five different sources of error, and then in assessing how these errors interact. This has to be done separately for each benefit and each family type, and where applicable, tenure type and employment status. A detailed account of the procedures involved is given in the Appendix and a broad summary is provided below.

The main errors, for which the baseline estimates may require correction, are: a) incorrect assessment, by analysts, of FRS cases' entitlement to benefit; b) failure to identify benefit recipients accurately; and c) failure to gross correctly the FRS-based count of the number of Entitled Non-Recipients.

a) To gauge the possible extent of incorrect entitlement assessment, we identify the grossed-up number of FRS cases reporting receipt of a benefit but appearing to be not entitled (NERs); and then compare this to the grossed FRS count of recipients. The existence of these NERs can be due to the actual payment of benefit to non-entitled benefit units, but it can also be due to under-estimation of entitlement which might lead us to misclassify some truly Entitled Recipients as not entitled. More seriously, it can also lead us to misclassify some truly Entitled Non-Recipients as not entitled, which results in a downward bias in our estimate of the total number of Entitled Non-Recipients. The larger the number of NERs in relation to the FRS count of recipients, the greater the allowance we make for under-estimation of entitlement.

   Prior to publication of the 1997-98 estimates we assumed that the incidence of over-estimation of entitlement – people wrongly added to the count of those entitled – equalled the incidence of under-estimation (the proportion of truly entitled people falsely regarded as non-entitled). Since then however, where we have found evidence of a significant difference in the incidence of under-estimation and over-estimation of entitlement, we have taken it into account in our analysis. For 2006-07, we found evidence of a significant difference within modelling entitlements for the following groups: couples with children entitled to Jobseeker's Allowance, and 'others' entitled to Council Tax Benefit.

b) To assess the possible extent of incorrect identification of benefit receipt, we consider the possible causes. One such cause could be that people are awaiting the outcome of a benefit claim; the FRS allows us to identify such cases. Another cause is confusion between benefits, where people are receiving more than one benefit. We seek to identify the number of such cases; for some cases it is possible to re-classify some people, with confidence, as recipients.

For Council Tax Benefit, there are particular problems with identifying benefit receipt, partly because of confusion with the single person's Council Tax discount; these have been considered in detail. For Pension Credit, we make use of a data matching exercise whereby we can identify those apparent non-recipients of Pension Credit who were in fact in receipt of the benefit at the time of their FRS interview (described in more details in the 'Issues with the estimation of take-up' section later in this chapter under the title *'Shortfall' of reported Pension Credit recipients on the FRS*).

c) We also use a comparison of the grossed FRS count of recipients and the equivalent count from the administrative data. Where the FRS count falls short of the administrative count, this can be taken as evidence of: under-reporting of benefit receipt, leading to under-estimation of take-up (via over-estimation of numbers entitled to but not receiving their benefit); or under-grossing of the entitled population, leading to over-estimation of take-up (via under-estimation of numbers entitled to but not receiving their benefit). This ambiguity can lead to wide ranges of estimated take-up (notably Income Support 'single males without children' and 'single females without children') because the ranges have to cater for both possibilities. For some groups (notably Income Support 'singles with children) the FRS yields less of a shortfall and thereby allows the estimation of a narrower range.

Changes introduced since the last edition

Change to definition of tenure types

Following consultation with users and in line with harmonised definitions across government surveys, we have changed the definition and names of the tenure type splits used in this publication. In the 2005-06 and previous editions, those renting from Registered Social Landlords (RSL) and Housing Associations (HA) were included in the private renters category. For 2006-07, these have been included in the Social Rented Sector category, along with those renting from the Local Authority.

In 2006-07, according to the Family Resources Survey, there were around 2.5 million benefit units who were renting and living in RSL/HA accommodation, out of a total renter population of 9.2 million. This 2.5 million have therefore been moved from the private renter group, to the social rented sector group.

In order to allow a consistent comparison between 2005-06 and 2006-07, estimates for 2005-06 have been recalculated for 2005-06 using the same definitions. The revised estimates are presented here, in Tables 6.1 to 6.5. If any group or estimate is not included in these tables, this is because they were not affected by this change of definition.

Please also note that when re-calculating estimates for renters, some estimates have changed for the owner occupier group. This is due to changes made to the administrative data used to calculate estimates of take-up. This change, while small, affects the number of recipients and amounts claimed, and in turn affects the number of ENRs and amounts unclaimed through the error decision process.

Table 6.1: 2005-06 previously published and revised estimates of take-up for groups affected both by changes to the tenure type definitions and HB and CTB administrative data

		Caseload	Expenditure
Housing Benefit			
Social Rented Sector Tenants	2005-06 published estimate	87% : 92%	91% : 95%
(formerly LA tenants)	2005-06 revised estimate	88% : 92%	92% : 95%
Private Renters	2005-06 published estimate	80% : 86%	84% : 90%
	2005-06 revised estimate	68% : 77%	74% : 84%
Council Tax Benefit			
Social Rented Sector Tenants	2005-06 published estimate	86% : 92%	
(formerly LA tenants)	2005-06 revised estimate	87% : 92%	
Private Renters	2005-06 published estimate	79% : 86%	79% : 88%
	2005-06 revised estimate	65% : 76%	65% : 78%

Table 6.2: 2005-06 previously published and revised estimates of the range of Entitled Non-Recipients and total range unclaimed for groups affected both by changes to the tenure type definitions and HB and CTB administrative data

		Range of Entitled Non-Recipients *(Thousands)*	Total range unclaimed *(Millions of Pounds)*
Housing Benefit			
Social Rented Sector Tenants	2005-06 published estimate	160 : 270	260 : 490
(formerly LA tenants)	2005-06 revised estimate	270 : 430	470 : 850
Private Renters	2005-06 published estimate	350 : 540	830 : 1,470
	2005-06 revised estimate	240 : 370	620 : 1,180
Council Tax Benefit			
Social Rented Sector Tenants	2005-06 published estimate	140 : 260	70 : 140
(formerly LA tenants)	2005-06 revised estimate	240 : 440	120 : 250
Private Renters	2005-06 published estimate	300 : 520	190 : 350
	2005-06 revised estimate	210: 340	130 : 240
Owner Occupiers	2005-06 published estimate	1,820 : 2,260	1,160 : 1,520
	2005-06 revised estimate	1,820 : 2,250	1,160 : 1,510

Table 6.3: 2005-06 previously published and revised estimates the number of recipients and total amount claimed for groups affected both by changes to the tenure type definitions and HB and CTB administrative data

		Number of Recipients (*Thousands*)	Total amount claimed (*Millions of Pounds*)
Housing Benefit			
Social Rented Sector Tenants	2005-06 published estimate	1,830	4,850
(formerly LA tenants)	2005-06 revised estimate	3,160	9,190
Private Renters	2005-06 published estimate	2,130	7,630
	2005-06 revised estimate	800	3,370
All	2005-06 published estimate		12,190
	2005-06 revised estimate		12,540
Council Tax Benefit			
Social Rented Sector Tenants	2005-06 published estimate	1,660	1,100
(formerly LA tenants)	2005-06 revised estimate	2,950	2,000
Private Renters	2005-06 published estimate	1,930	1,350
	2005-06 revised estimate	640	460
All	2005-06 published estimate	4,970	
	2005-06 revised estimate	4,960	

Table 6.4: 2005-06 previously published and revised estimates of average weekly amounts claimed for groups affected both by changes to the tenure type definitions and HB and CTB administrative data

		Average weekly amount claimed *(Pounds)*
Housing Benefit		
Social Rented Sector Tenants	2005-06 published estimate	51.0
(formerly LA tenants)	2005-06 revised estimate	56.0
Private Renters	2005-06 published estimate	68.9
	2005-06 revised estimate	81.0
All	2005-06 published estimate	59.3
	2005-06 revised estimate	61.0
Council Tax Benefit		
Social Rented Sector Tenants	2005-06 published estimate	12.8
(formerly LA tenants)	2005-06 revised estimate	13.0
Private Renters	2005-06 published estimate	13.4
	2005-06 revised estimate	13.7

Table 6.5: 2005-06 previously published and revised estimates of average and median weekly amounts unclaimed for groups affected both by changes to the tenure type definitions and HB and CTB administrative data

		Average weekly amount unclaimed *(Pounds)*	Median weekly amount unclaimed *(Pounds)*
Housing Benefit			
Social Rented Sector Tenants	2005-06 published estimate	32.9	33.2
(formerly LA tenants)	2005-06 revised estimate	36.0	36.0
Private Renters	2005-06 published estimate	49.4	43.4
	2005-06 revised estimate	55.4	47.5
Council Tax Benefit			
Social Rented Sector Tenants	2005-06 published estimate	9.4	10.0
(formerly LA tenants)	2005-06 revised estimate	10.4	10.4
Private Renters	2005-06 published estimate	12.4	12.1
	2005-06 revised estimate	12.9	12.8

Changes to assumptions made about modelling error

The previous section described how we found evidence of significant differences within modelling differences for couples with children entitled to Jobseeker's Allowances. Alternative assumptions were therefore employed for this group. In order to be able to make a like-for-like comparison between 2005-06 and 2006-07, we have recalculated take-up for this group for 2005-06 using the same alternative assumptions.

For Housing Benefit take-up by employment status in 2006-07, we used different assumptions than had been used for the estimates published in 2005-06. As with Jobseeker's Allowance for couples with children, we have revised the 2005-06 estimates for those in employment and those not employment, so that estimates for the two reporting years are presented on a consistent basis.

The revised estimates are presented here, in tables 6.6 and 6.7.

Table 6.6: 2005-06 previously published and revised estimates of take-up for groups affected by changes to assumptions about modelling bias

		Caseload	Expenditure
Jobseeker's Allowance			
Couples with children	2005-06 published estimate	74% : 86%	79% : 91%
	2005-06 revised estimate	75% : 88%	79% : 92%
Housing Benefit			
In employment	2005-06 published estimate	49% : 53%	56% : 64%
	2005-06 revised estimate	49% : 60%	56% : 71%
Not in employment	2005-06 published estimate	91% : 98%	91% : 98%
	2005-06 revised estimate	91% : 95%	91% : 96%

Table 6.7: 2005-06 previously published and revised estimates of the range of Entitled Non-Recipients and total range unclaimed for groups affected by changes to assumptions about modelling bias

		Range of Entitled Non-Recipients *(Thousands)*	Total range unclaimed *(Millions of Pounds)*
Housing Benefit			
In employment	2005-06 published estimate	260 : 310	450 : 630
	2005-06 revised estimate	200 : 310	340 : 630
Not in employment	2005-06 published estimate	40 : 200	130 : 750
	2005-06 revised estimate	100 : 190	330 : 740

Data sources

The Family Resources Survey

The Family Resources Survey was used for all five benefits to analyse Entitled Non-Recipients. During the financial year 2006-07 the FRS interviewed approximately 24,000 households in Great Britain. Households interviewed in the survey were asked a wide range of questions about their familial, social and economic circumstances. The structure and wording of the questionnaire, along with the advice given to interviewers, is continually under review. Further information on the design of the survey is contained in the FRS Report[19].

Administrative data

Since October 2005, the Work and Pensions Longitudinal Study has been DWP's key data source for many benefit statistics. This data source is used to produce headline National Statistics and is based on 100 per cent of claimants. The administrative source of data on recipients for Income Support and Jobseeker's Allowance was changed from the five per cent sample, which was used in results up to and including 2003-04, to the WPLS for results from 2004-05 onwards. Despite being a more accurate measure of the number of recipients, analysis found that the change of data source had no significant impact on 2003-04 estimates of take-up. However, readers should be aware that the estimates presented in the Income Support and Jobseeker's Allowance (IB) trends over time charts are based on two different administrative data sources.

Income Support

Since the 2004-05 estimates of take-up, the administrative data source used to obtain the number of recipients has been the Work and Pensions Longitudinal Study (WPLS). To obtain a caseload estimate for the 2006-07 financial year, an average was taken of the extracts at the end of May 2006, August 2006, November 2006 and February 2007.

The five per cent Quarterly Statistical Enquiry (QSE) data has been used to estimate the proportion of cases that are in non-private households and should therefore be excluded in order to derive the private household recipient population. These proportions were then applied to the 100 per cent WPLS data. This is because the WPLS data does not hold all the variables needed to perform these exclusions.

The definition of 'singles with children' used in the analysis of the WPLS for this publication differs from that used in the published WPLS. Here, we simply define singles with children as single people with dependant children. This includes those who are classified as 'disabled' in the published WPLS.

Jobseeker's Allowance (Income-Based)

For estimates of take-up since 2004-05, the administrative data source used to obtain the number of recipients is a combination of the Work and Pensions Longitudinal Study (WPLS) and the five per cent quarterly QSE data. The WPLS data does not tell us whether a claimant receives income-based JSA (JSA IB) or contribution-based JSA (JSA CB). Therefore, to obtain a caseload estimate for the 2006-07 financial year, the five per cent quarterly QSE data was used to find the proportion of JSA claimant cases who were in receipt of JSA (IB) and who lived in private households. This proportion was then applied to the average of the WPLS extracts taken at the end of May 2006, August 2006, November 2006 and February 2007.

[19] For more information about this publication please visit the following website: http://www.dwp.gov.uk/asd/frs

A small proportion of claimants have entitlement to both contribution- and income-based Jobseeker's Allowance but actually receive income-based Jobseeker's Allowance. Within this publication such cases are counted as recipients of income-based JSA.

Pension Credit

Pension Credit was introduced on 6 October 2003 and replaced Minimum Income Guarantee (Income Support for people aged 60 or over). The vast majority of people who were previously in receipt of MIG were transferred to Pension Credit in October 2003.

The administrative data source used to obtain the number of recipients was the Work and Pensions Longitudinal Study (WPLS) as it is based on 100 per cent of claimants and is used to produce headline National Statistics.

To obtain a caseload estimate for the 2006-07 financial year, an average was taken of the extracts at the end of May 2006, August 2006, November 2006 and February 2007. The true claim start date was used to obtain this caseload figure as it captures backdated claims. Therefore, the recipient count includes all those pensioners who received Pension Credit in respect of 2006-07, even if they received payment after 2006-07. Published WPLS caseloads use the entitlement start date, which is the date the claim is recorded on the system; therefore caseloads published by other sources will be different than in this publication. See later on in this chapter for details of how the backdating of Pension Credit is dealt with.

In common with Income Support and Jobseeker's Allowance (IB), the five per cent quarterly QSE data has been used to estimate the proportion of Pension Credit cases that are in non-private households and should therefore be excluded in order to derive the private household recipient population. These proportions were then applied to the WPLS data. This is because the WPLS data does not hold all the variables needed to perform these exclusions.

Housing Benefit and Council Tax Benefit

From 2006-07, the source of data for these two benefits has changed. In the past, there were two administrative sources for data on recipients: the one per cent samples of Housing Benefit and Council Tax Benefit records taken in May of each year and the 100 per cent caseload counts taken in May, August, November and February of each year. Eventually, these two sources will be replaced by a single source: the single Housing Benefit extract, which is a 100 per cent scan of Housing Benefit and Council Tax Benefit claims. Until that time, the take-up statistics for 2006-07 are based on a combination of the old 100 per cent caseload counts, and the new 100 per cent data, which has replaced the old one per cent sample taken in May of each year.

For Housing Benefit, the new 100 per cent samples contained detailed information on family type, tenure, level of rent and amount of Housing Benefit received. For Council Tax Benefit, the new 100 per cent samples contained detailed information on family type, amount of Council Tax paid and amount of Council Tax Benefit received. The existing 100 per cent caseload counts contained sufficient information for both Housing Benefit and Council Tax Benefit to enable disaggregation into family types for the 'without Income Support' cases but did not contain this information for the 'with Income Support' cases. For the 2006-07 estimates, these proportions were taken from the new 100 per cent data source and then adjusted to the population total derived from the average of the four quarterly caseload counts (as the average of the four quarters is a more reliable measure of average caseload for the whole year). In previous years the May one per cent sample was used to derive these proportions. As a dataset based on May was not available for use for the 2006-07 financial year, the reader should be aware that there may be some discontinuity between the 2005-06 and 2006-07 estimates for these two benefits.

For Council Tax Benefit, in order to maintain a consistent methodology with previous years, we continued to split recipients of Council Tax Benefit by tenure type using information from the Family Resources Survey. Data on the average amount of Council Tax Benefit received was taken from the limited information available from the one per cent samples. It is possible that in the future, the new single Housing Benefit extract could be used as the source of tenure information for Council Tax Benefit. This will be kept under review for future years.

Adjustments

As with previous publications, estimates of take-up cover only the private household population, since the Family Resources Survey (FRS) includes only those people who live in private households. In practice, this means these take-up estimates omit people living in Residential Care or Nursing Homes and some other, mostly small, groups. In addition, because the FRS does not contain sufficient information on the incomes of the self-employed to allow reliable assessment of benefit entitlement, the estimates also exclude benefit units that contain at least one full-time self-employed individual. A detailed explanation of these and other adjustments is given below. As a result of the various adjustments to the data, estimates in this publication may differ from those in other published sources.

Private household adjustment

Since the estimates rely on the FRS and administrative data sources it is essential that the data from these sources cover, as near as possible, the same population. The FRS only covers private households, whereas administrative data contains information on all recipients of the benefit regardless of their circumstances. To achieve the necessary consistency across the data sources, a small number of cases were removed from the administrative data.

For Income Support and Pension Credit, cases in residential care or nursing homes were excluded from the administrative data. Asylum seekers, those without accommodation or with no fixed abode, people receiving urgent case payments and those staying in hospital long term (over six weeks) were also excluded. Asylum seekers and people receiving urgent case payments were excluded from the administrative data for Jobseeker's Allowance. For all benefits, only a small proportion of cases are removed from the total caseload.

Self-employed adjustment

Income of the full-time self-employed on the FRS is very difficult to assess. Sufficiently accurate assessment for modelling benefit entitlement is almost impossible, and inclusion of these cases would likely lead to further bias in the data over and above what we already observe. For this reason all full-time self-employed cases were excluded from the FRS data. In order to exclude them from the take-up estimates completely, it was necessary to exclude them from the administrative data as well. These exclusions affect all the benefits except Income Support and Jobseeker's Allowance, for which the full-time self-employed are ineligible anyway.

For Housing Benefit and Council Tax Benefit, estimates of the proportion of recipients who were self-employed were made from the FRS. These were then applied to the administrative data. These adjustments removed around 0.5 per cent, or 19,000 from the administrative count for HB, and 0.4 per cent or 21,000 from the administrative count for CTB.

High eligible rents / housing costs

A further adjustment was made to exclude cases with very high rents. Housing Benefit cases above a high level of rent were excluded from both the administrative and FRS data. This exclusion avoids volatility in the estimate of ENR average amounts, due to outliers with large rents in the small ENR sample. Although there were very few such outliers, grossed up they would represent a significant amount of unclaimed benefit. In this way large variations in estimated expenditure take-up could result from the sampling process rather than from real changes in claimant behaviour.

To reduce such volatility, a high rent cut off was incorporated. This was set at the 99th percentile of eligible rent for Housing Benefit recipients from administrative data. Cases with rent above this level were excluded from the take-up estimate. Similar adjustments were made for Income Support, Pension Credit and Jobseeker's Allowance (Income-Based) to exclude cases with very high housing costs. Again this was set at the 99th percentile for each family type which could then be applied to the FRS ENRs in that family type.

Other data exclusions

Several other small groups were excluded from the Income Support and the Jobseeker's Allowance analyses. In some circumstances 16 and 17 year olds without dependants can be eligible for Income Support or Jobseeker's Allowance. These circumstances are very difficult to model on the FRS. For this reason all 16 and 17 year old benefit units without children have been excluded from the administrative and FRS data. This adjustment has little effect on the overall caseload count for all benefits.

Grossing up

The take-up statistics are all based on grossed up FRS data. The grossing system used is designed to make grossed estimates more accurate and reliable. The grossing scheme controls the population estimates of benefit units and households, taking into account variables like tenure and Council Tax Band as well as the age, sex and marital status variables. Between 2002 and 2005, DWP statisticians, in consultation with other departments, reviewed the grossing methodology. A new grossing regime, incorporating both revisions to the old grossing regime and the revised population counts based on post-census data, has been produced[20].

This regime has been adopted for the production of figures shown in this publication. Details of the grossing regime are shown in the following table:

[20] A press release with details of the grossing regime was issued in February 2005, and is available at: http://www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf

Table 6.8: Control variables used to generate grossing factors

Variable	Groupings	Main Source of data
No. of individuals (age, sex and Government Office Region)	Male children: 0-9, 10-19* Male adults: 16-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-59, 60-64, 65-74, 75-79, 80+ Female children: 0-9, 10-19* Female adults: 16-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-59, 60-69, 70-74, 75-79, 80+	Office for National Statistics (ONS)
*16-19 year old dependents	Dependents aged 16-19 in Scotland, England and Wales	DWP estimates using data derived from ONS and HMRC
Families (Great Britain)	No. of families with children	HMRC Child Benefit data
Singles with children (Great Britain)	Male, female	DWP estimates
Tenure type (Households)	LA renters, private renters, owner occupiers	Communities and Local Government (CLG)
Council Tax Band (Households)	A+NVS, B, C-D, E-H (as well as band I for Wales)	Valuation Office, The Scottish Government
Region	London, Scotland, rest of Great Britain	CLG

Issues with the estimation of take-up

Backdating by pensioners from 6 October 2003

When Pension Credit was introduced in October 2003, the Pension Service decided that it would be introduced in a staged and managed fashion. This campaign activity was deliberately phased in order to maintain high levels of customer service as the caseload grew, and also to ensure that no-one lost out financially. This was done by allowing for extensive backdating of Pension Credit claims back to 6 October 2003 or by up to one year, depending on when the pensioner became eligible. At the same time, new rules for Housing Benefit and Council Tax Benefit meant that those aged over 60 could receive a backdated claim to 6 October 2003, or by up to one year. For take-up figures, this means that there will be some pensioner benefit units that are identified as ENRs, but who later receive payment that covers the point of their FRS interview. In which case, they could be considered to be an Entitled Recipient as opposed to an Entitled Non-Recipient.

For Pension Credit, we have been able to identify the number of pensioners who received a backdated amount in respect of 2005-06 and 2006-07 and have amended both our recipient count and our ENR count accordingly. For Housing Benefit and Council Tax Benefit, no such data currently exists that allows us to adjust our recipient and ENR counts. However, for Housing Benefit, we do have estimates of the extent of undercounting, which arises from a number of claims awaiting a final decision. This may include any new backdating that occurred as a result of the new rules, and allows us to estimate to what extent Housing Benefit take-up figures may be depressed. For Council Tax

Benefit, we are not certain about the extent of the undercount problem, so cannot estimate to what extent take-up figures may be depressed.

Assessed income periods for Pension Credit

An assessed income period (AIP) may apply to those pensioner families where one member is 65 or over and the other is aged at least 60 (or if single, they are 65 or over). During this period, which can last up to five years (or up to seven years if the pensioner was transferred from MIG), a pensioner does not have to report any changes to pensions, annuities, equity release payments or capital. Other changes still have to be reported. The period may be shorter if a pensioner expects a second pension or annuity to start or change, or their capital to increase significantly in the next 12 months following the date that their entitlement starts; the period may be between one and five years in the case of couples where the customer or partner attains the age of 65.

This will mean that for some pensioners on the FRS, they will be in receipt of Pension Credit, but may not appear to be currently entitled, due to a recent change in income. Thus, they appear to be Non-Entitled Recipients when they should be considered Entitled Recipients. More importantly, there may be some pensioners who appear to be Non-Entitled Non-Recipients, but should in fact be considered Entitled Non-Recipients – if they had applied at some point in the past, prior to any change in income, they would have been entitled, and would still be entitled as they would not have had to report the change. Therefore, take-up could be biased upwards due to a deflated ENR count.

An adjustment for this has not been made for 200-07, for two reasons. Firstly, we do not have sufficient data that would enable us to make a suitable adjustment. Secondly, we expect that the number of pensioners this issue affects will be very small, and hence any bias in take-up will also be very small. For example, of those pensioners who were in receipt of Pension Credit during 2006-07, just more than half a per cent had an AIP that was due to end during the same period[21], and so may have had some expected change in income or significant age change. We will review this issue in future years when more AIPs are set to end.

Misreporting of capital holdings by pensioners

A 1998 follow-up survey of pensioner FRS interviewees indicated that a substantial proportion of elderly people declared their capital holdings inaccurately, in most cases underestimating their actual assets. This meant there were some apparent Entitled Non-Recipients of Income Support who had savings above the upper capital limit of £8,000. Problems with establishing what savings pensioners hold are partly a cultural phenomenon, with savings being perhaps regarded as a more private matter than income. But other obstacles include difficulties in recalling what assets are held, especially for those with a range of assets or whose finances were managed by their partner or another person. The DWP research report number nine “Comparing Strategies for Collecting Information on Personal Assets”[22] pinpointed, through cognitive probing of a small number of pensioners, strengths with existing asset questions in the FRS and weaknesses to which solutions were suggested. It also reported that there are inherent difficulties in any survey in collecting accurate information on personal assets amongst pensioners.

In 2001 the DWP commissioned the Office for National Statistics (ONS) and the National Centre for Social Research to undertake another survey of pensioners who appeared to be Entitled Non-Recipients of Minimum Income Guarantee (the predecessor of Pension Credit). The results are published in the DWP research report no. 197 ‘Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit’[23]. Participants in the survey were drawn from people

[21] Source: five per cent quarterly QSE data.
[22] A copy of this report can be found at: http://www.dwp.gov.uk/asd/asd5/WP9.pdf
[23] *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0)

interviewed on the FRS between October 1998 and March 2001. Those selected were pensioners whose financial circumstances at the time of their FRS interview suggested that they were ENRs. On re-interview, a few respondents reported that they were in fact in receipt of Minimum Income Guarantee or Income Support at the time of their original FRS interview. For these respondents information on their savings and investments were not sought, as they were effectively 'hidden' recipients.

The study found that 17 per cent of those classified as ENRs as a result of their original FRS interview were, at the time of re-interview, ineligible for Minimum Income Guarantee because of excess capital holdings. However, taking into account the possibility of changes in circumstances between the time of the original and the later re-interview, the minimum plausible proportion of pensioner ENRs that may have misreported the value of their savings and investments consistent with the results of the survey was ten per cent and a maximum was assumed at 14½ per cent. These are the best estimates of the percentage of ENRs failing to report to the FRS capital holdings exceeding £8,000 (which was the capital threshold for MIG).

These assumptions were incorporated into the error analysis framework (described earlier) for MIG. This was done by classifying the misreporting of capital by pensioners as over-statement of entitlement error – when a benefit unit that is not truly entitled to benefit is calculated to be entitled by the analyst.

It is unlikely that the problem of misreporting of capital by pensioners was exclusive to Minimum Income Guarantee. The 2001 survey of Entitled Non-Recipients of Minimum Income Guarantee contains information on the proportion of these pensioners who reported that they had more than £16,000, the upper capital limit for Housing Benefit and Council Tax Benefit. Though some of these pensioners may be apparent Entitled Non-Recipients of Housing Benefit and/or Council Tax Benefit as well, for the significant remainder who are ENRs of Housing Benefit and/or Council Tax Benefit but not ENRs of Minimum Income Guarantee we have no information. This means it has not been possible to make adjustments to estimates of take-up of Housing Benefit and Council Tax Benefit by pensioners for capital misreporting. Therefore it is possible that these estimates may under-state take-up.

Many of those entitled to MIG are entitled to Pension Credit, so under-reporting of capital by pensioners could have an impact on estimates of Pension Credit take-up. To overcome this, a similar adjustment was incorporated into the error analysis framework. However, given that Pension Credit has no upper limit to capital holdings this adjustment could not be identical to the one previously employed for MIG (as described above). The approach used was to simulate the effects of different reported capital amounts on random samples of initially modelled PC ENR cases and record the proportion of cases that changed from having a positive entitlement to no entitlement. The smallest allowance we made for this effect was to assume that capital was under-reported by a quarter among ten per cent of PC ENR cases. The upper bound to the adjustment allowance was to assume that under-reporting of capital by a half among 20 per cent of PC ENR cases. The results of this simulation were then incorporated into the error analysis framework (described above) as part of the adjustment for over-statement of entitlement error.

'Shortfall' of reported Pension Credit recipients on the FRS

For many years the count of pensioner recipients of Income Support/Minimum Income Guarantee that is drawn from the FRS and its predecessor the Family Expenditure Survey, has fallen well short of the count from the Department's administrative records. The latest available data for Pension Credit also shows a similar picture. Departmental records have very high degree of accuracy and therefore the

For a summary of this report see the following website: http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf

shortfalls have raised questions regarding the quality of the survey count. There are three possible reasons for a 'shortfall' in the number of Pension Credit recipients reported on the FRS. These are:

- The survey may be securing interviews from the right number of low-income pensioners, but some of these are not correctly identifying which benefits they are getting – e.g. someone receiving £72 Retirement Pension and £20 Pension Credit may report it as £92 Retirement Pension. Or, they may simply omit to report their receipt of Pension Credit and instead state £72 Retirement Pension as their only income.

- The survey may be securing interviews from too few low-income pensioners, or the way in which the survey counts are grossed-up to national counts – the grossing regime – may yield too low a number of low-income pensioners. (The regime is designed to get the total number of pensioners correct.)

- Survey respondents may be awaiting an outcome of a claim from the administrative authorities. If there are significant numbers of such cases, this would tend to suppress the numbers reporting receipt of the benefit at the point of FRS interview. However, such cases can be identified from the FRS and significant shortfalls still remain after these cases are accounted for.

The first explanation would imply that we might be overstating the number of Entitled Non-Recipients, because some of them are really 'hidden' recipients of Pension Credit. The second would imply we might be understating the number. Our uncertainty, as to the relative contribution of the first two explanations accounts for a substantial portion of the width of the range of take-up estimates for Pension Credit.

In 2001 DWP commissioned the ONS to carry out an exercise to establish how many of the apparent ENRs in 2000-01 were actually recipients of Minimum Income Guarantee at the time of the FRS interview, in order to help narrow the take-up range. The research compared pensioner cases modelled as ENRs with the Department's benefit records. The process of datamatching that followed revealed several 'hidden' recipients of Minimum Income Guarantee but also helped to confirm the modelled status of Entitled Non-Recipients for many cases. (Chapter 5 of 'Income Related Benefits Estimates of Take-Up in 2000/2001' contains further details of the exercise). Since this investigation the exercise of datamatching has been repeated every year since 2002-03.

A FRS Strategic Review in 2004 consulted key users as to their future data requirements, and found that one need was to link the survey to a wide range of administrative data held by the Department. Following this, a feasibility study into linking FRS data with administrative data by DWP was carried out and in 2005 a full proposal was written and presented to a working group. This paper looked at a number of legal and ethical issues regarding consent and linking. As a result, work to take forward the linking project was approved by the Department's Work and Pensions Longitudinal Study Ethics Committee. In order to take the work forward, DWP had to seek informed consent from FRS respondents to link their survey respondents to information held by the Department. A question asking for this consent was piloted and cognitively tested, and was subsequently introduced into the questionnaire in November 2006, i.e. part way through the 2006-07 survey year.

This means that for the latest 2006-07 Pension Credit results the ONS compared individual FRS respondents aged at least 60 years old with individuals contained on DWP Pension Credit (PC) and Retirement Pension (RP) benefit record extracts spanning the survey year and Winter Fuel Payments (WFP) data relating to February 2006. This was done for the following two groups:

- All those FRS respondents who were interviewed between April and October 2006, prior to the consent question being introduced into the questionnaire.

- Only those FRS respondents who were interviewed between November 2006 and March 2007, who were asked the consent question, and who gave their consent for their answers to be linked to DWP administrative data.

This meant that only 83 per cent of individuals aged 60 and over were available to be data matched to the administrative data by the ONS. In terms of benefit units, 72 per cent fully consented (for couples, this meant that both the head and spouse had to give consent) to their data being linked to administrative data. See the section below "Dealing with data matching a partial sample of the FRS" for an explanation of how this was dealt with.

The benefit data for Pension Credit were fortnightly caseload 'snapshots' taken between March 2006 and May 2007. For Retirement Pension, the extracts were every six weeks between April 2006 and April 2007. The additional data on Retirement Pension and Winter Fuel Payments served to provide a benchmark for matching, as a high proportion of pensioners receive these compared with Pension Credit.

The matching of the survey data with administrative records was difficult as there was no unique variable common to both sources. National Insurance numbers contained on the administrative data allowed, in the first instance, benefit records to be combined with each other. This helped to consolidate and verify information held on individual benefit claimants prior to the matching against survey data. The FRS did not collect National Insurance numbers from survey respondents in 2006-07 (with the exception of those interviewed post November who gave consent to have their data linked). Given this, the ONS developed computer programs which sought data matches between the consolidated administrative dataset and the FRS data by a combination of the following criteria:

- *Postcode*; Exact match, First four characters match, no match
- *House number*; Exact match, no match
- *Surname*; Exact match, Partial match, no match
- *Forename*; Exact match, First character match, no match
- *Sex*; Exact match, no match
- *Age*; Exact match, +/-one year match, no match

Together there were 324 possible matching combinations. Each FRS pensioner individual was assigned a match level that represented the most reliable data match against information held across benefit extracts. Ninety-three per cent of FRS pensioner respondents were matched against either Pension Credit, Retirement Pension or Winter Fuel Payments records.

By inspecting the different match types, DWP analysts judged that there were 31 different match levels that were likely to deliver reliable person level matching, particularly in relation to considering data matches against Pension Credit extracts. A further 33 matching combinations were identified as 'good' data matches, but the chance of matching a wrong person could not be ruled out. It is mainly on the former group of matches that the subset of FRS pensioners that were modelled as ENRs of Pension Credit was examined further.

In total, 78 per cent of apparent ENRs of Pension Credit who had consented to their data being matched were matched (according to the reliable match categories) against the combined administrative data of PC, RP and WFP. If the additional (less certain) 33 match categories are included, the percentage datamatching on any benefit extract rises to 97 per cent. Thirty-six per cent of reliably datamatched apparent PC ENRs (who had consented to their data being linked with administrative data) were, at some point in time during the April 2006 and March 2007, claiming Pension Credit.

Data matches of specific interest are those as close as possible to the FRS date of interview. Pension Credit ENR cases that were found on respective records either some time before or some time after their FRS interview would not necessarily mean that they were incorrectly assigned 'ENR' status. In

the former situation, a claimant in a pensioner couple may have passed away and the spouse had yet to renew the claim under his or her name. In the latter case, pensioners may apply for PC after their FRS interview date. If a claim spell (given by the claim start date and claim end date) included the date of the FRS interview, then it was almost certain that the apparent ENR was a 'hidden' recipient of Pension Credit at the time of the FRS interview.

Paying special attention to these cases, Table 6.9 shows the proportion of ENRs who were identified as 'hidden' recipients. The datamatching exercise also uncovered significant numbers of apparent Non-Entitled Non-Recipients of the benefit on the fortnightly PC extracts at the time of the FRS interview; these are also presented in the table.

Table 6.9: Percentage of datamatched Entitled Non-Recipients and Non-Entitled Non-Recipients of Pension Credit who were 'hidden' recipients, 2006-07

	'Hidden' recipients among datamatched ENRs	'Hidden' recipients among datamatched Non-Entitled Non-Recipients
Pensioner Couples	(17 : 18)%	1%
Single Male Pensioners	34%	(3 : 4)%
Single Female Pensioners	33%	(3 : 4)%
All Pensioners	(27 : 28)%	2%

The above information was incorporated into the error analysis framework by considering the extent to which the numbers of 'hidden' recipients amongst the apparent pensioner ENRs and Non-Entitled Non-Recipients accounted for the 'shortfall' between the total number of grossed recipients of Pension Credit reported on the FRS and the respective count from DWP administrative records. The remainder of any 'shortfall' was attributed both to the effect of backdating and to grossing inaccuracies.

Table 6.10 shows estimates of take-up of Pension Credit before and after datamatching validation. There are significant differences between results; estimates post-datamatching are regarded as more accurate and more precise.

Table 6.10: Caseload take-up of Pension Credit with/without incorporating results from datamatching against PC/RP/WFP benefit records

	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
2006-07 estimate pre-datamatching	41% : 53%	51% : 68%	51% : 67%	49% : 63%
2006-07 estimate post-datamatching (published)	50% : 58%	62% : 75%	62% : 71 %	59% : 67%

Note: Estimates are presented with 95 per cent confidence intervals to take account of sampling variation.

By excluding Pension Credit 'hidden' recipient cases from the initial estimate of the number of Entitled Non-Recipients, the datamatching findings allowed estimates of the baseline average and median weekly amounts unclaimed to be revised. Table 6.11 shows the results for PC on this basis. Estimates tend to be lower post-datamatching.

Table 6.11: Average and median weekly amounts unclaimed of Pension Credit with/without incorporating results from datamatching against PC/RP/WFP benefit records

	Pensioner Couples	Single Male Pensioners	Single Female Pensioners	All Pensioners
Mean Weekly Amounts Unclaimed, £s				
2006-07 estimate pre-datamatching	32.0	30.7	28.1	29.9
2006-07 estimate post-datamatching (published)	30.9	30.3	25.6	28.4
Median Weekly Amounts Unclaimed, £s				
2006-07 estimate pre-datamatching	20.4	18.3	19.7	19.5
2006-07 estimate post-datamatching (published)	19.3	18.4	17.9	18.4

Dealing with data matching a partial sample of the FRS

As outlined above, ONS were only able to match 83 per cent of the FRS sample of individuals aged 60 or over. This is in contrast to previous years where the entire sample was matched. This is because some individuals did not consent to their answers to the survey being linked with administrative data held by the DWP.

This means that for some cases who were modelled as ENRs, we were unable to identify whether they were hidden recipients or not. To get around this, we used statistical modelling to identify those characteristics that were most associated with being a hidden recipient.

The model that was used looks at those benefit units who did not report receipt of Pension Credit. Pension couples and single pensioners were modelled separately, as their characteristics (such as their income levels) can be very different. We used data from the previous FRS survey year (the 2005-06 survey year where we were able to match all pensioner respondents) in order to assess which characteristics (for example tenure type, age, disability and income) were most associated with being a hidden recipient of Pension Credit. We then applied this model to all non-recipients in the 2006-07 survey year. This meant that we were able to test the model against the portion of the sample we were able to match, to test how successful our model was at identifying true hidden recipients.

By applying these characteristics to the portion of the sample we were unable to data match, we were able to identify those cases with the highest probability of being a hidden recipient.

Using the matched sample, we were able to calculate what proportion were found to be hidden recipients. We then applied this proportion to the sample we were unable to match, and imputed receipt status for the same proportion with the highest probabilities of being hidden recipients. This enabled us to find further hidden recipients which were then incorporated into our error analysis framework.

Table 6.12 shows the caseload take-up estimates both before and after incorporating this adjustment. In general, the estimates where we have imputed receipt of Pension Credit are higher, and should be regarded as more accurate.

Table 6.12: Caseload take-up of Pension Credit with/without incorporating an adjustment to allow for lack of consent from part of the FRS sample

	Pensioner Couples	Pensioner Single Males	Pensioner Single Females	All Pensioners
2006-07 estimate with no adjustment	48% : 54%	59% : 69%	59% : 68%	57% : 64%
2006-07 estimate post-datamatching and post adjustment (published)	50% : 58%	62% : 75%	62% : 71 %	59% : 67%

Note: Estimates are presented with 95 per cent confidence intervals to take account of sampling variation.

Modelling of the overlap between Jobseeker's Allowance and Income Support/Pension Credit

The rules for eligibility to Income Support/Pension Credit and Jobseeker's Allowance (Income-Based) are very similar and so when we model a benefit unit as entitled to IS or PC, they will usually have an underlying entitlement to JSA (IB) as well. This is a particular issue with singles with children and for men aged over 60 but under 65. The main difference in the eligibility criteria is that in order to receive JSA (IB) a benefit unit must be available for and actively seeking full-time work. However, we have not been able to model this work search activity using the FRS without classifying large numbers of recipients of JSA (IB) as ineligible – because the FRS does not report them as actively seeking work. By not modelling the work search criteria we leave large numbers of benefit units modelled, initially, as ENRs of both IS/PC and JSA (IB). To classify these benefit units as ENRs of **either** IS/PC **or** JSA (IB), we have used a series of rules:

i) Firstly, DWP administrative data shows that only very small numbers of singles with children and pensioners claim JSA (IB). Analysis of DWP QSE administrative data shows an average of 204,000 men aged 60-64 were claiming Pension Credit in 2006-07 while only 3,000 were claiming JSA (IB) over the same period. Similarly, an average of 870,000 singles with children were claiming Income Support in 2006-07 while only 17,000 were claiming Jobseeker's Allowance (IB) over the same period. So we have assumed that all singles with children and pensioners modelled initially as ENRs of both IS/PC and JSA (IB) are classified as ENRs of IS/PC only.

ii) Secondly, we classify all carers who are modelled initially as ENRs of both IS/PC and JSA, as ENRs of IS/PC only, as full-time carers are unlikely to be also looking for work.

iii) Thirdly, analysis of the DWP QSE administrative data shows that only very small numbers of people with disabilities claim JSA (IB): an average of 1,500,000 people were claiming Income Support with an adult disability premium during 2006-07 compared with only 19,000 who were claiming JSA (IB) over the same period; this represents around one per cent of all disabled recipients.

So those people who, in response to FRS questions, say either they are unable to work at all or they are unable to work full time because of their health, are classified as ENRs of IS/PC only. Remaining cases initially modelled as entitled to both IS/PC and JSA (IB) are classified as ENRs of JSA (IB) only.

Dealing with those awaiting the outcome of a claim for benefit

When a person claims benefit there is often a delay between the date of the claim and the date they receive a decision on their claim. This causes problems when estimating the number of ENRs. The

FRS asks respondents whether or not they are awaiting the outcome of a claim. If a person says that they are not receiving, say, Pension Credit at the time of their FRS interview, but we model them as entitled, they are initially classified as an ENR. This may be false in cases where the FRS respondent is awaiting the outcome of an eventually successful claim. In reality the respondent was actually in receipt in respect of the time of the FRS interview, and should not be classified as an ENR. For all the benefits the ranges of take-up take account of these pipeline effects. The existence of these 'pipeline' cases tends to depress the baseline estimate of take-up below its true level. We make an assessment about the proportion of these non-recipients who are likely to be successful in their claim, given that we are able to model whether they are entitled or not, and then incorporate these cases into the error analysis framework, by assuming they contribute to the under-reporting of benefit receipt. The effect of this is that it tends to shift the take-up ranges upwards.

Rent restrictions

A rent restriction occurs when the Local Authority administering the Housing Benefit system decides that a private tenant is paying an unreasonably high rent and as a result employs a lower rent for the purposes of calculating Housing Benefit. Prior to 2 January 1996 the criteria used to determine whether rent was unreasonably high were not known. It was not therefore possible to model the decisions using the FRS. Making no allowance for rent restrictions would have been wrong however since the count of Entitled Non-Recipients may have been inflated.

After 1 January 1996, Local Authorities implemented new rent restriction rules. Most private tenant Housing Benefit claims were referred to the Rent Officer Service under a specific set of rules for determining whether or not to restrict the rent for the purposes of processing the claim. Also after 6 October 1996, new rent restrictions rules were implemented for single claimants under the age of 25.

The Rent Officer Service carries out the following assessments of a claimant's rent:

- A significantly high rent determination - which determines whether the claimant's rent is higher than that paid for similar tenancies and dwellings
- A size-related rent determination - which determines whether the claimant's rent is larger than is necessary for their means
- An exceptionally high rent determination - which determines whether the lowest of the claimant's rent or either of the previous rent determinations is still "exceptionally high"

The lowest of the rent determinations and the actual rent paid (known as the appropriate rent) is compared with a 'local reference rent'. The local reference rent is defined as the midpoint of 'reasonable market rents' as determined by the Rent Officer. Where the local reference rent is higher than the appropriate rent, the maximum rent to be taken forward into the Housing Benefit assessment is the appropriate rent. Up until October 1997 where the appropriate rent was highest, the maximum rent to be taken forward was the local reference rent plus half the difference between the local reference rent and the appropriate rent. From October 1997 onwards this "50 per cent top up" was removed so that the maximum rent taken forward where the appropriate rent was highest was the local reference rent.

In the case of single claimants under the age of 25, a single room rent determination is made. The single room rent determination is defined as the midpoint of 'reasonable market rents' for accommodation in which the tenant has exclusive use of one room only and other than that shares a (or has no) kitchen, shares a toilet and makes no payment for board or lodging. Then the maximum rent is calculated by comparing the single room rent with the maximum rent calculated above. Where the maximum rent is lower than the single room rent, the maximum rent is carried forward in the calculation of Housing Benefit. Where the maximum rent is higher than the single room rent, the single room rent applies.

It is possible to roughly model all Rent Officer determinations, except the exceptionally high rent determination, using a combination of Rent Officer Statistics (collected by the Department of Communities and Local Government) and the Family Resources Survey. Average referred rents and average rent reductions for each Government Office Region and for each type of determination were taken from the Rent Officer Statistics.

For the size-related rent determination, average reductions by region and type of dwelling from the Rent Officer Statistics were applied to the rents for FRS dwellings modelled as being “too large”. In the case of the significantly high rent determination, average referred rents from the Rent Officer Statistics were split by region and quartile. For each quartile within each region, the average referred rents were used as thresholds. For those FRS cases breaching the thresholds, a significantly high rent determination was calculated using the average percentage reduction in rent derived from the Rent Officer Statistics. A similar approach to this was adopted for the single room rent determination.

Only certain tenancies (assured shorthold) are restricted by law and these were isolated on the FRS using variables relating to tenure and the date the tenancy began.

This adjustment, as described above, allows us to better model the amount of Housing Benefit that a household is entitled to. Without this adjustment, the amount of entitlement to Housing Benefit that we model could be too high, which would artificially inflate the count of Entitled Non-Recipients, and as a result artificially deflate the estimate of take-up.

Appendix

Construction of take-up ranges

Introduction

Chapter 6 explains in broad terms how estimates of take-up are calculated. This Appendix goes into rather more detail. It begins by re-capping the sources of error that can affect the baseline estimates of take-up. It subsequently describes in some detail how we estimate the size of these errors; describes the additional assumptions required to obtain unambiguous estimates of take-up; presents an example of how all this works in practice; and closes with some observations about the general effects of the different assumptions.

The five sources of error

Chapter 6 described the five potential sources of error that can introduce bias into estimates of take-up. To reiterate they are:

- Over-statement of entitlement to benefit – known as error A
- Under-reporting of benefit receipt – known as error B
- Under-statement of entitlement to benefit – known as error C
- Inaccurate grossing-up – known as error D
- Payment of benefit to non-entitled benefit units – known as error E

The formula used for calculating caseload take-up – first presented in Chapter 6 – shows that we take our count of benefit recipients direct from DWP administrative records; so it cannot be affected by any of the errors A to D listed above. The administrative counts will include some people who are not actually entitled to receive benefit, Non-Entitled Recipients (NERs), and thus this data can be affected by error E. However, this error is disregarded and not introduced into our results because the DWP definition of take-up allows for non-entitled benefit units to be included in the recipient count. So the accuracy of the recipient count we use is not affected by any of the errors listed above.

However, all five errors affect the accuracy of our estimation of the number of Entitled Non-Recipients (ENRs). To correct for this it is necessary to estimate the size of errors A to E. Once this is done we can then adjust the initial estimate of the number of ENRs to give us an unbiased estimate of the true figure. Combining this with the recipient count we can arrive at an unbiased estimate of the take-up rate.

Ideally, the exact size of the errors A to E would be known. This would enable us to fully and unambiguously correct for them and publish a single unbiased point estimate of true take-up. Unfortunately we only have subjective estimates about the likely size of each error. This means in most cases we have to assume that each error could be as high as say X or as low as say Y. Assuming high and low values for the size of each error results in high and low estimates for true take-up. It is these high and low estimates that constitute the range estimate that we publish.

Estimating the size of the errors

We only have a rough idea about the size of errors A to E because the evidence available to us is often ambivalent and scarce in nature. The main evidence we consider is the following two statistics:

- the percentage of grossed-up FRS recipients modelled as not entitled. We refer to this as 's' and it can be written as the number of Non-Entitled Recipients (NERs) in the FRS divided by the number of recipients of the benefit in the FRS:

$$s = \frac{NER_{FRS}}{R_{FRS}}$$

- the ratio of the grossed-up FRS count of recipients to the administrative count of recipients. We refer to this as 't' and it can be written as:

$$t = \frac{R_{FRS}}{R_{admin}}$$

Clues provided by 's'

We estimate the number of ENRs using the FRS. The FRS contains detailed information about household composition, income, employment and savings. Using this information we mimic the benefit rules and estimate whether or not a benefit unit is entitled to receive the benefit; this process is known as modelling entitlement. The 's' statistic is affected by errors in modelling entitlement and by the receipt of benefit by non-entitled people. The more modelling error there is, the larger 's' will be. The more NERs there are, the larger 's' will be. Though not conclusive, 's' gives us useful clues about the likely size of errors A, C and E.

Modelling errors A and C arise where we are unable to accurately assess a benefit unit's true entitlement because we do not have a full picture of their relevant circumstances. This can happen for a number of reasons. Firstly, whilst the FRS contains a large amount of detail relevant to calculating benefit entitlement, it does not necessarily contain all the detail required. Also, respondents, for whatever reason, may not provide us with fully accurate accounts of their circumstances. With imperfect data, there are bound to be some errors in identifying which benefit units are entitled to a benefit. In the absence of any evidence to the contrary, errors A and C are assumed to be symmetrical in size. We shall take a look at the other evidence we use to consider whether or not this assumption is valid later in the text. Even when we assume errors A and C are of equal size, their effects are unlikely to cancel each other out because error A will typically add more to the count of ENRs than error C subtracts from it. So it is important to estimate the size of errors A and C. Modelling errors A and C may also reflect the incorrect payment of benefits to those who are not truly entitled. This may occur for several reasons: administrative error, inaccurate information given to the benefit office or delays in responding to a change in circumstances.

If 's' is, say, ten per cent, then this could imply that there are substantial modelling errors. Alternatively, modelling errors might be small and the ten per cent value for 's' may mainly reflect receipt of benefit by people not truly entitled. To get over this ambiguity we assume the first scenario when setting the upper limit for error C (and by assumption error A, when the evidence suggests A and C are equally likely). So the upper limit is set at 's' per cent. We set the lower limits for errors A and C to (s/3) per cent. We do not set the lower limits to zero because it seems unlikely that A and C could ever be zero.

An important point to note here is that the assumptions we use for the upper and lower limits of each error do not go to the extreme bounds of plausibility. However, wide ranges are used where the available evidence suggests that there is a wide range of plausible assumptions.

The size of error E is determined in a similar way as the size of errors A and C in that it uses the size of the s-statistic, with one exception; the upper limit is capped at 15 per cent because it seems unlikely that the proportion of recipients not entitled to benefit could exceed 15 per cent.

Clues provided by 't'

The 't' statistic provides some evidence about the likely size of errors B and D, the under-reporting of benefit receipt and grossing errors respectively. If we knew our grossing-up was perfect then a 't' of less than 100 per cent would provide a strong indication of the size of error B. Conversely, if we knew that under-reporting was unlikely, then a 't' of less than 100 per cent would provide strong evidence of the size of error D.

In practice it is possible that both sources of error will occur simultaneously. So 't' may reflect both under-reporting and grossing problems. It should also be remembered that even if we knew that under-reporting did not occur for a particular group, the value of 't' itself would only be an indicator of the impact error D has on the number of recipients, since it is a ratio of recipients only. Because 't' is a measure for recipients, it cannot be assumed that it gives an accurate indication of the size and direction of errors in grossing-up the number of ENRs. Assumed upper and lower limits for error D do not reflect the size of the error in the population, but the likelihood of the error generating an inaccurate count of ENRs.

A further complication is that, even if we knew grossing was not a problem and we therefore attributed a low value of 't' solely to under-reporting of benefit receipt, this under-reporting would not necessarily introduce a large error in the estimate of the number of ENRs. This is because benefit units not reporting receipt of benefit may still report their total income correctly. People misreporting their benefit receipt will only appear to be entitled if they also report too low a total income. If all that happens is they misreport their Pension Credit as Retirement Pension, and so the correct total income is reported, they will not be falsely classified as ENRs, as their income will not be below the applicable amount for Pension Credit. If they do not report their Pension Credit income at all, and only report their Retirement Pension income, they will be falsely classified as an ENR.

In setting the upper limit for the size of error B we need to make an assumption about the percentage of under-reporting cases that will generate false ENRs. We do this by calculating the proportion of recipients on the FRS who are modelled to be entitled to more than they report receiving. This 'over-modelling' could be due to the following three reasons:

i) under-reporting of the benefit amount which means we appear to be modelling more than the recipient claims they receive;

ii) our failure to accurately mimic the benefit rules, meaning we are modelling entitlement incorrectly;

iii) under-reporting of total income, which means that the recorded income is too low, and as a result the entitlement will appear to be too high.

This last reason is the condition that needs to be in place alongside failure to report receipt, in order to generate a false ENR case. The first two reasons won't necessarily lead to a benefit unit being modelled as a false ENR.

So the percentage of FRS recipients 'over-modelled' gives an indication of the upper limit of the proportion of benefit units failing to report receipt, as even if all three reasons come into play, one possible scenario is that the over-modelling we observe could be wholly due to the last reason.

Therefore we make an assumption that it is these cases who would also be modelled as entitled and therefore falsely classified as ENRs. This is another example where our assumptions about errors do not go to the extreme bounds of plausibility.

Chapter 6 describes how we use information in the FRS about outstanding benefit claims to assess the extent to which under-reporting of benefits is due to people awaiting the outcome of a claim for benefit. In practice we express the number of cases awaiting the outcome of a claim and who appear to be entitled, as a percentage of the administrative data recipient count (and in the case of Pension Credit, we also express the number of backdaters as a percentage of the administrative data recipient count). We then add these estimates to the value of 't' before working out the size of the upper limit of error B. This is done because these 'pipeline cases' (and in the case of Pension Credit, the eventual 'backdaters') are not genuine ENRs – they have already submitted a claim and will go on to receive benefit in respect of 2006-07.

In setting the lower limit for error B we assume that there is no under-reporting of benefit receipt except that represented by the 'pipeline case' percentage (and in the case of Pension Credit, we assume that there is no under-reporting except that represented by the 'pipeline', 'hidden recipient' and 'backdater' percentages). So a low value of 't' may reflect some or all of the following:

- under-grossing leading to fewer ENRs – error D
- under-reporting generating false ENRs – error B
- under-reporting NOT generating false ENRs
- pipeline cases generating false ENRs – error B

The interaction between errors B and D is difficult to disentangle; therefore we must come to judgements about the likelihood of there being an under-reporting or grossing problem.

For high values of 't' we must also allow for the possibility that we have over-grossed the estimate of ENRs. For values of 't' that are close to 100 per cent we make the assumption that under-reporting, under-grossing and over-grossing all may have occurred. For values of 't' that are significantly higher than 100 per cent the assumptions are simplified; we assume no possibility of error B or of under-grossing. We also assume that there is no possibility of over-reporting benefit receipt. Finally we check that the assumed level of error B is consistent with the uncorrected/crude measured level of take-up. Without this check it would not be possible to assume a level of error B which could occur given the estimated number of ENRs.

Tables 1 to 3 summarise the assumptions we make about the upper and lower limits of the sizes of errors B and D, for all benefits other than Pension Credit. Note that under-grossing assumptions are labelled D1 and over-grossing assumptions are labelled D2. Note also that outstanding claims cases are labelled as 'pipeline %'.

Table 1: Values/ranges of error B for benefits other than Pension Credit

Error B		
Size of pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 90%	Pipeline%	(X*(100-pipeline adjusted 't')%) + pipeline%
90% - 95%	Pipeline%	(X*(100-pipeline adjusted 't')%) + pipeline%
95% - 100%	Pipeline%	(X*(100-pipeline adjusted 't')%) + pipeline%
> 100%	Pipeline%	Pipeline%

Where X = percentage of under-reporting cases that could generate false ENRs

Table 2: Values/ranges of error D1 for benefits other than Pension Credit

Error D1		
Size of pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 90%	Y% * (100-('t' + B upper))%	(100-pipeline adjusted 't')%
90% - 95%	0%	(100-pipeline adjusted 't')%
95% - 100%	0%	5%
100% - 105%	0%	5%
105% - 110%	0%	(100-pipeline adjusted 't')% + 10%
> 110%	0%	0%

Where Y = proportion of the difference between the administrative data count of recipients and the FRS count of recipients.

Table 3: Values/ranges of error D2 for benefits other than Pension Credit

Error D2		
Size of pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 90%	0%	0%
90% - 95%	0%	(pipeline adjusted 't'-100)% + 10%
95% - 100%	0%	5%
100% - 105%	0%	5%
105% - 110%	0%	(pipeline adjusted 't'-100)%
> 110%	(pipeline adjusted 't'-100)% - 10%	(pipeline adjusted 't'-100)%

The values and ranges used to adjust for errors B and D for the Pension Credit error decisions are slightly different due to the use of a datamatching exercise (for more details see Chapter 6) to identify 'hidden recipients' and the inclusion of backdaters. Tables 4 to 6 summarise the assumptions we make about the upper and lower limits of the sizes of errors B and D for Pension Credit. Note that Hidden Recipients are labelled 'HR' or 'hidden recipient%'; under-grossing assumptions are labelled D1, over-grossing assumptions are labelled D2, outstanding claims cases are labelled as pipeline%, and the proportion of backdaters are labelled 'backdater%'.

Table 4: Values/ranges of error B for Pension Credit

Error B		
Size of Max/Min Pipeline adjusted 't'	**Lower limit**	**Upper limit**
All values	Pipeline% + backdater% + min(hidden recipient%)	Pipeline% + backdater% + max(hidden recipient%)

Table 5: Values/ranges of error D1 for Pension Credit

Error D1		
Size of Max/Min Pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 95%	Y% * (100-(max(pipeline, back and HR adjusted t)))%	100-(min(pipeline, back and HR adjusted t))%
95% - 100%	0%	100-(min(pipeline, back and HR adjusted t))%
100% - 105%	0%	5%
> 105%	0%	0%

Where Y = proportion of the difference between the administrative data count of recipients and the FRS count of recipients.

Table 6: Values/ranges of error D2 for Pension Credit

Error D2		
Size of Min/Max Pipeline adjusted 't'	**Lower limit**	**Upper limit**
< 95%	0%	0%
95% - 100%	0%	5%
100% - 105%	0%	(max(pipeline, back and HR adjusted t)%-100)%
105% - 110%	0%	(max(pipeline, back and HR adjusted t)%-100)%
> 110%	(min(pipeline, back and HR adjusted t))%- 100%	(max(pipeline, back and HR adjusted t))%-100%+2.5%

Asymmetry of errors A and C

Earlier it was mentioned that in the absence of any evidence to the contrary we assume that errors A and C are symmetrical in size. This section describes the evidence we use to determine whether or not A and C are in fact asymmetrical in size.

The main analytical tool we use is a comparison of modelled entitlement to reported receipt for those benefit units reporting receipt on the FRS. We work out the proportion of cases we model as entitled to more than they report receiving – this is termed 'over-modelling'. We also work out the proportion of cases we model as entitled to less than they report receiving – this is known as 'under-modelling'. We assume that errors A and C are asymmetrical in size for any group where there is a greater than ten percentage point difference between 'over-modelling' and 'under-modelling'. However we only adjust our assumptions for the upper and lower limits of A and C where the s-statistic is above ten per cent, for it is only above this level that we believe asymmetry in the size of A and C will have a significant impact upon estimated take-up. In 2006-07, couples with children entitled to Jobseeker's Allowance, and 'others' entitled to Council Tax Benefit satisfied these criteria, so A and C were assumed to be asymmetrical.

When a group does satisfy the criteria for assuming errors A and C are asymmetrical we adjust the upper and lower limit assumptions for A in the following way:

- If the evidence suggests that error C is less likely to occur than error A, this means that we are adding far more false-ENRs to our ENR count through error A than we are subtracting through error C. The net effect of this is to artificially inflate the ENR count, which in turn artificially deflates the take-up point estimate. Note that this effect is the same as without asymmetry, whereby symmetrical modelling A and C also artificially inflates the ENR count. However, in this case of asymmetry, this is happening to a much greater extent. To correct for this, we take the ratio of 'over-modelling' to 'under-modelling' and scale-up the upper and lower limits of error A, and continue to assume that the upper limits of A and C should be used to calculate the upper limit of true take-up, and vice versa.

- On the other hand, if the evidence suggests that error A is less likely to occur than error C, we need to check whether this is happening to such an extent that we may now be artificially deflating the ENR count. If the ENR count is still being artificially inflated (as described in the previous paragraph) we use the assumptions outlined above. If however, we find that we may be deflating the ENR count, we take the ratio of 'over-modelling' to 'under-modelling' and multiply it by the upper and lower limits of error A. We then assume that the upper limit of errors A and C belong to the bundle of errors that will yield the minimum true take-up (and vice versa). This is because if A is less likely to occur than error C, this will mean that we are subtracting more ENRs through error C (under-statement of entitlement) than we are adding through error A (over-statement of entitlement). The net effect of this will be to subtract from the true ENR count, and hence artificially inflate the take-up estimate. So, to correct for this we must deflate the take-up rate by inflating the ENR count. We do this by changing our usual assumptions (as described in Table 4, overleaf) and using the upper limit of error A where true take-up is minimised. Hence the upper limits of errors A and C are used to calculate the lower range of true take-up, and vice-versa.

The need for judgement

From the discussion so far it is clear that setting plausible ranges for errors A to E is a complex exercise that involves analytical judgement because we have no objective way of measuring the size of the errors. In some situations, evidence may lead us to depart from the error framework described above. In particular, we may use external information to judge the size of the errors.

As an example, when we find a group where there appears to be evidence of asymmetrical modelling (as described above) for the first time we won't necessarily make an adjustment for this. Instead, we may wait for a consecutive year to see if asymmetry is a feature of this group. Then, any adjustment we make will allow us to publish an adjusted estimate for two consecutive years, and will allow us to make like-for-like comparisons between the two years that are reported on in our tables.

Additional assumptions required

Once the upper and lower limits are decided for each of the errors A to E, the team need to make some additional assumptions in order to calculate unambiguous corrected take-up figures.

Firstly we need to make an assumption about the level of true take-up in cases affected by error C. This is important because, if we assumed take-up was zero for these cases, it would imply a large number of cases were falsely classified as not entitled due to 'under-modelling' of entitlement. This would mean we were assuming a large downward bias in our baseline estimate of ENRs due to error C. If on the other hand we assumed take-up was 100 per cent for these cases, it would imply that no cases were falsely classified as not-entitled due to 'under-modelling'. This would mean we were assuming no downward bias in our estimate of ENRs due to error C. We label this additional assumption error 'a'.

Secondly we need to make an assumption about the level of true take-up amongst cases affected by error A. This is important because, if we assumed take-up was zero for these cases, it would imply a large number of cases are falsely classified as ENRs due to 'over-modelling' of entitlement. This would mean we were assuming a large upward bias in our baseline estimate of ENRs due to error A. If on the other hand we assumed take-up was 100 per cent for these cases (which seems unlikely unless there were large amounts of fraud/mistakes) it would imply that there were no cases falsely classified as ENRs due to 'over-modelling'. This would mean we were assuming no upward bias in our estimate of ENRs due to error A. We label this additional assumption error 'b'.

Again, judgement is required when setting the levels of these take-up rates and in practice these assumptions are given upper and lower limits.

The final step is to bring all of these assumptions about errors and take-up rates in the presence of errors together in two combinations: one that gives us maximum take-up rate and one that gives us a minimum take-up rate. Table 7 summarises the appropriate combinations.

Table 7: Error combinations that yield the maximum and minimum limits for true take-up

Error	For minimum true take-up	For maximum true take-up
A	Lower	Upper
B	Lower	Upper
C	Lower	Upper
D1	Upper	Lower
D2	Lower	Upper
E	Upper	Lower
'a'	Lower	Upper
'b'	Upper	Lower

One of the things to note from Table 7 is that we combine the upper limit for error A with the upper limit for error C when calculating maximum true take-up and the lower limit for both A and C when calculating minimum true take-up. This may not seem intuitive, given the preceding discussion. However, we make an additional assumption that these are the only plausible combinations of these

errors, modelling error is either very likely (upper limits for A and C), or not very likely (lower limits for A and C).

Once we have all of the necessary assumptions, we then perform a calculation that tells us what true take-up would be given the sizes of all the errors. The nature of the errors means that it is likely that some errors may interact with one another, and so may either cancel each other out, or multiply the effects of another error. This means that we cannot simply correct for each error separately. The calculation takes account of this and gives an estimate of true take-up consistent with the assumptions that have been made for that group.

An example

The following section explains how the above methodology was used to produce a range of true take-up of Council Tax Benefit by 'singles with children' in 2006-07. The take-up of Council Tax Benefit by singles with children has been chosen as it is one of the more straightforward statistics to calculate.[24]

The initial step in estimating take-up is to collect the administrative data on the number of single with children recipients and the average amount of CTB they receive. Next the Family Resources Survey (FRS) is analysed to give estimates of the number of Entitled Non-Recipients (ENRs) and the average amount they leave unclaimed. We can then combine these figures to produce the baseline estimates of take-up. In 2006-07 the baseline estimates for the take-up of Council Tax Benefit by singles with children were as follows:

Administrative data	**Family Resources Survey data**
Recipients = 891,102	Entitled Non-Recipients = 190,040
Average weekly receipt = £14.20	Average weekly unclaimed = £9.84
	Non-Entitled Recipients = 77,781
	Recipients = 906,934
Baseline caseload take-up = 891,102/(891,102+190,040) = **82%**	
Baseline expenditure take-up = (891,102*£14.20)/(891,102*£14.20+190,040*£9.84) = **87%**	

The next step is to assess the likely extent of the errors that might have distorted these baseline estimates. As explained earlier in this Appendix, this is done in part by examining the values of 's' and

[24] The error decision process for Pension Credit is slightly different to the remaining benefits due to the use of datamatching to identify 'hidden recipients' and the inclusion of backdaters. For an example that explains how Pension Credit take-up ranges are calculated see *Pension Credit Estimates of Take-up in 2005-06*, (2007) DWP.

‘t’: where ‘s’ is the proportion of grossed-up FRS recipients modelled as not entitled and ‘t’ is the grossed-up number of FRS recipients divided by the count of recipients from the administrative data.

For singles with children entitled to Council Tax Benefit in 2006-07,‘s’=8.6 per cent (77,781/906,934) and ‘t’=101.8 per cent (906,934/891,102).

We then go on to adjust ‘s’ and ‘t’ to take account of the interaction between the Single Person’s Discount (SPD) and CTB. SPD is a Council Tax discount that is applicable to persons who live alone. If there is only one adult resident in the property, a 25 per cent discount can be granted. We believe that there is likely to be confusion between receipt of the SPD and main CTB, with respondents misreporting their SPD as CTB. This would inflate the number of CTB Recipients and Non-Entitled Recipients above their true level. To account for this, we can directly identify such cases, and subtract these from the count of Recipients and Non-Entitled Recipients.

For singles with children, we identified 8,584 such cases who were modelled as not being entitled to main CTB, but who were entitled to the SPD. To derive the SPD-adjusted ‘s’ statistic, these cases were subtracted from the original NER count to produce a revised NER count of 69,197 (77,781-8,584) and a revised FRS Recipient count of 898,350 (906,934-8,584).

These figures were then used to calculate the SPD-adjusted ‘s’ statistic of 7.7 per cent (69,197/898,350) and an SPD-adjusted ‘t’ statistic of 100.8% (original ‘t’ of 101.8 per cent minus 1.0%; the latter being the SPD cases as a proportion of the FRS recipient count).

It is now possible to assess the extent of errors A to E. Since ‘s’ for singles with children is below ten per cent, the general assumptions of a lower limit of (s/3) per cent and an upper limit of (s) per cent can be followed for Error A. Since the SPD-adjusted ’s’ is 7.7 per cent there will be a moderate amount of adjustment to the baseline estimate for modelling error.

Error C is used to estimate the extent of under-statement of entitlement to the benefit, and again, the size of the ‘s’ statistic can be used to determine the likely upper and lower limits of error C. Here we use the general assumptions of a lower limit of (s/3) per cent and an upper limit of (s) per cent, and hence 2.6 per cent and 7.7 per cent respectively in the case of singles with children.

The size of error E is determined in a similar way to errors A and C, in that it uses the size of the s-statistic. We need to make a judgement about the extent to which mistakes and fraud can lead to someone not actually being entitled at all when in receipt. An analysis of the percentage of FRS recipients ‘over-modelled’ and the percentage ‘under-modelled’ helps here. In 2006-07 we ‘over-modelled’ 18 per cent of single with children recipients of Council Tax Benefit (remember this means we modelled them to be entitled to more than they actually reported receiving) and we ‘under-modelled’ 25 per cent. However, ‘s’ tells us that despite ‘under-modelling’ 25 per cent of single with children recipients of Council Tax Benefit, we only modelled 7.7 per cent of them to be not entitled at all. This implies that the proportion of recipients likely to be not entitled to benefit at all is quite low. So we make the judgement that in the case of singles with children, the upper and lower limits for error E should be set at the same levels as those for errors A and C.

The value of ‘t’ gives us clues about the size of errors B and D, the under-reporting and grossing errors respectively. Tables 1 to 3 presented above show the general approach to setting the levels of errors B and D.

In 2006-07 there were a small number of singles with children who had claimed Council Tax Benefit at the time of their FRS interview and were awaiting the outcome of those claims, known as ‘pipeline cases’, which amounted to 2.6 per cent of the administrative data count. As the SPD-adjusted ‘t’ statistic is 100.8 per cent, we assume that for under-reporting error, error B, the lowest plausible assumption emanates from these pipeline cases. For the upper limit, we also assume that the error

for under-reporting cases cannot be larger than the proportion of pipeline cases. So, both the upper and lower limits for error B is 2.6 per cent.

As the SPD-adjusted 't' statistic is 100.8 per cent, as per Tables 2 and 3 in this appendix, we consider there to be the possibility of both having under-grossed and over-grossed our estimate of ENRs. Table 2 shows the general rule we use for setting the upper and lower limits of error D1 (under-grossing). When 't' lies between 100 and 105 per cent, there is a chance of error from under-grossing the number of ENRs. However it is thought that the maximum error from under-grossing is 5% and the lower limit is set to 0%

Similarly, Table 3 shows that we assume a five per cent possibility of over-grossing for the top end of the error range, while the lower end of the error range for D2 is set to zero.

To summarise, the upper and lower limits of errors A to E of Council Tax Benefit for singles with children are:

	Lower limit	**Upper limit**
Error A	2.6%	7.7%
Error B	2.6%	2.6%
Error C	2.6%	7.7%
Error D1	0.0%	5.0%
Error D2	0.0%	5.0%
Error E	2.6%	7.7%

The final step is to set levels of take-up by those affected by error A ('b') and take-up by those affected by error C ('a'). 'a' is set relative to the assumed level of true take-up and 'b' is set relative to 'a', such that 'b' is always smaller than 'a'. This is because we expect take-up by those truly not-entitled but modelled as entitled ('b') will be lower than take-up by those truly entitled but modelled as not entitled ('a'). We set different levels for these assumptions depending upon whether we are calculating the upper end of the true take-up range or the lower end of the true take-up range.

With all the assumptions set it is then possible to calculate an adjusted caseload take-up rate using any combination of the assumptions together with the baseline take-up rate. Table 7 summarises the combinations of assumptions that give the lowest plausible estimate of true take-up and the highest plausible estimate of true take-up.

To produce the highest plausible estimate of true take-up, errors A, B, C and D2 were set to their upper limits, errors D1 and E were set to their lower limits, 'a' was set to its lower limit and 'b' to its upper limit. In practice this means setting:

- error A at 7.7 per cent
- error B at 2.6 per cent
- error C at 7.7 per cent
- error D1 at 0.0 per cent

- error D2 at 5.0 per cent
- error E at 2.6 per cent
- ‘a’ at 70.0 per cent and
- ‘b’ at 5.0 per cent

to give a plausible upper limit of take-up of 89 per cent.

To produce the lowest plausible estimate of true take-up, errors A, B, C and D2 were set to their lower limits, errors D1 and E were set to their upper limits, ‘a’ was set to its upper limit and ‘b’ to its lower limit. In practice this means setting:

- error A at 2.6 per cent
- error B at 2.6 per cent
- error C at 2.6 per cent
- error D1 at 5.0 per cent
- error D2 at 0.0 per cent
- error E at 7.7 per cent
- ‘a’ at 50.0 per cent and
- ‘b’ at 40.0 per cent

to give a plausible lower limit of take-up at 84 per cent.

These estimates of 89 per cent and 84 per cent are arrived at through the use of a calculation that uses what we know about all the errors, and any interactions between them, and arrives at a level of true take-up given our assumptions.

Finally, a range of true expenditure take-up is calculated using the estimates of average claimed and unclaimed amounts, combined with the upper and lower bounds of true caseload take-up. This means the lower bound for true expenditure take-up is 84*£14.20/((84*£14.20) + (16*£9.84)) i.e. 88 per cent; and the upper bound is 89*£14.20/((89*£14.20) + (11*£9.84)) i.e. 92 per cent.

Before allowing for the effects of sampling error, the range of true caseload take-up of Council Tax Benefit by singles with children in 2006-07 was between 84 per cent and 89 per cent.

After allowing for the effects of sampling error, the range of true caseload take-up for this group is 82 per cent to 90 per cent. The same applies for the expenditure take-up estimate; after taking sampling error into consideration, the final true expenditure take-up estimate is 86 per cent to 94 per cent.

The relative importance of different assumptions

Because of interactions between the errors it is not possible to fully attribute each error with its part in the overall adjustment of the take-up rate from the baseline estimate to the estimate of true take-up. However it is possible to make a number of general points.

Errors A and C have their greatest impact on the estimated upper limit of true take-up. This is due to the fact that we fully expect take-up by those falsely estimated to be entitled to benefit to be lower than take-up by those falsely estimated to be not entitled to benefit (hence our assumption for 'a' is always larger than our assumption for 'b'). So, despite the fact that in most cases our assumptions about the overall chances of A and C occurring are symmetrical, we assume that error A has the greatest effect on the baseline take-up estimate. This difference is accentuated for higher levels of A and C, and it is these higher levels that we assume when estimating the upper limit for true take-up.

Error B also has its greatest impact on the estimated upper limit of true take-up. This is simply because error B inflates the baseline estimate of Entitled Non-Recipients above its true level so the appropriate correction for this is to adjust the number of ENRs downwards when calculating true take-up. The larger the assumption we use for error B, the larger the downward adjustment to the ENR count we will make and hence the higher we will push our estimate of true take-up.

Error D has much less impact on the results. A given percentage error in grossing-up the baseline estimate of ENRs will have its greatest impact when the ENR estimate is relatively large, i.e. when true take-up is relatively low. So the greatest effect of error D will be on the lower limit of true take-up. In the example described above, the assumptions for error D have little impact on the final estimates because the baseline estimate of take-up is relatively high.

Assumptions with respect to the receipt of benefit by non-entitled people have little impact overall since error E only comes into play indirectly in combination with the other errors. For example, error E will reduce the impact of error A on the baseline estimate of take-up since those who receive benefit when they are truly not entitled cannot be falsely added to the estimate of Entitled Non-Recipients.

Income Related Benefits Estimates of Take-Up in 2006-07

This publication contains information on the take-up of the main income-related benefits in Great Britain in 2006-07: Income Support, Pension Credit, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (Income-Based).

The report brings together information from DWP/Local Authority benefit records and the Family Resources Survey to provide estimates of take-up among the private household population in Great Britain in 2006-07.

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