

Table of Contents

Summary of Key Results for 1998/99	3
Introduction	5
Chapter 1: Income Support	13
Chapter 2: Housing Benefit	21
Chapter 3: Council Tax Benefit	25
Chapter 4: Jobseeker's Allowance	31
Chapter 5: Family Credit	37
Chapter 6: Methods and Data Sources	41

Summary of Key Results for 1998/99

Income Support

Take-up between 79% and 89% by caseload

Take-up between 88% and 95% by expenditure

Housing Benefit

Take-up between 91% and 97% by caseload

Take-up between 94% and 98% by expenditure

Council Tax Benefit

Take-up between 75% and 81% by caseload

Take-up between 77% and 84% by expenditure

Jobseeker's Allowance (Income Based)

Take-up between 68% and 82% by caseload

Take-up between 75% and 88% by expenditure

Family Credit

Take-up between 66% and 70% by caseload, excluding self-employed

Take-up between 73% and 79% by expenditure, excluding self-employed

Introduction

Background

This publication contains information on the take-up of the main income-related benefits in Great Britain: Income Support, Housing Benefit, Council Tax Benefit, Family Credit and Jobseeker's Allowance. Revised figures are presented for the financial year 1997/98 and new figures are presented for the financial year 1998/99. The last edition covered take-up in 1996/97 and 1997/98 and was published in September 1999¹.

The 1997/98 estimates have been revised for several reasons. Firstly, the DSS research report No 100 "Overcoming barriers: Older people and Income Support" provided evidence of significant under-reporting of capital holdings by pensioners responding to the Family Resources Survey (FRS). Whilst the methodology for estimating take-up is designed to allow for possible biases in the FRS data, the evidence provided by this piece of research showed the problem of capital misreporting by pensioners required a special treatment. A fuller explanation of this problem and the solution to it are provided in Chapter 6. The second reason for revising 1997/98 take-up estimates is that methodological changes made to the statistics for 1998/99 would have introduced significant differences between 1998/99 and the previously published 1997/98 statistics for some benefits and groups that did not represent genuine changes in true take-up. Revisions were therefore necessary to give users a more consistent picture over time. These methodological changes are also described in Chapter 6. The final reason for revising 1997/98 statistics is that take-up statistics for Jobseeker's Allowance (Income Based) have been produced with a gender breakdown for the first time and these have been worked back to 1997/98.

1998/99 represents the last full year of Family Credit. From October 1999 it was replaced by Working Families Tax Credit (WFTC) which is administered by the Inland Revenue. Family Credit take-up statistics will not be published for the period April 1999- October 1999.

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 for Income Support, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (Income Based) are presented as ranges within which it is estimated that true take-up lies. These 'ranges of true take-up' account for possible biases inherent in estimates from data that is less than perfect. These ranges also account for the effects of sampling variation (otherwise known as sampling error). For Family Credit, the six monthly nature of the benefit makes reliable assessment of the extent of any bias very difficult. Readers will notice however that Family Credit take-up estimates are also presented as ranges. This is because the normal point estimates have been adjusted to take account of sampling variation. It should also be noted that because the estimates have not been adjusted to take account of possible bias, we are less confident that true take-up lies somewhere within the ranges than we are for the other benefits. A similar reservation applies to the estimates of take-up of Housing Benefit and Council Tax Benefit by pensioners. The problem of the misreporting of capital by pensioners, mentioned above, could also affect Housing Benefit and Council Tax Benefit estimates but it has not proved possible to assess the extent of the potential bias and adjust the estimates accordingly - more on this in Chapter 6.

¹ *Income Related Benefits Estimates of Take-Up in 1996/97 (revised) and 1997/98*, (1999) DSS

Where sample sizes and data sources allow take-up statistics have been broken down to enable comparisons of take-up by gender. In practice analysis by gender is possible only for Income Support and Jobseeker's Allowance (Income Based). For Council Tax Benefit and Housing Benefit, a gender breakdown of take-up rates has not been possible. This is because the DSS administrative statistics on the receipt of these two benefits do not distinguish the sex of the claimants where the claimant is not also in receipt of Income Support/Jobseeker's Allowance (Income Based).

Care should be taken in interpreting the take-up statistics. In particular, an upper limit of, say, 90% to the caseload take-up range does not necessarily mean that at least 10% 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. As in last year's publication some 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.

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. Guidance on the interpretation of differences between 1997/98 and 1998/99 has been included in the text that accompanies the results.

This publication is divided into six chapters. Chapters 1 - 5 provide the full results for each of the five benefits. Each chapter begins with a brief description of the benefit, a guide to the table's presented and any particularly important technical considerations where appropriate. The tabulated results plus commentary then follow and the chapters are rounded off by an analysis of the characteristics of those entitled to but not receiving benefits. Chapter 6 provides some description of the methodology (including changes since the last edition) and the data sources used. The derivation of the estimates follows a methodology largely identical to that described in the 1990+1991 edition (Chapter 2 and Appendix D) of the publication. Questions about the statistics or the methods used to calculate them should be directed to the address given at the front of this publication.

As with previous publications, estimates of take-up cover **only people in private households**, since the Family Resources Survey (FRS) surveys only people in private households. In practice this means these take-up estimates omit people living in Residential Care 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

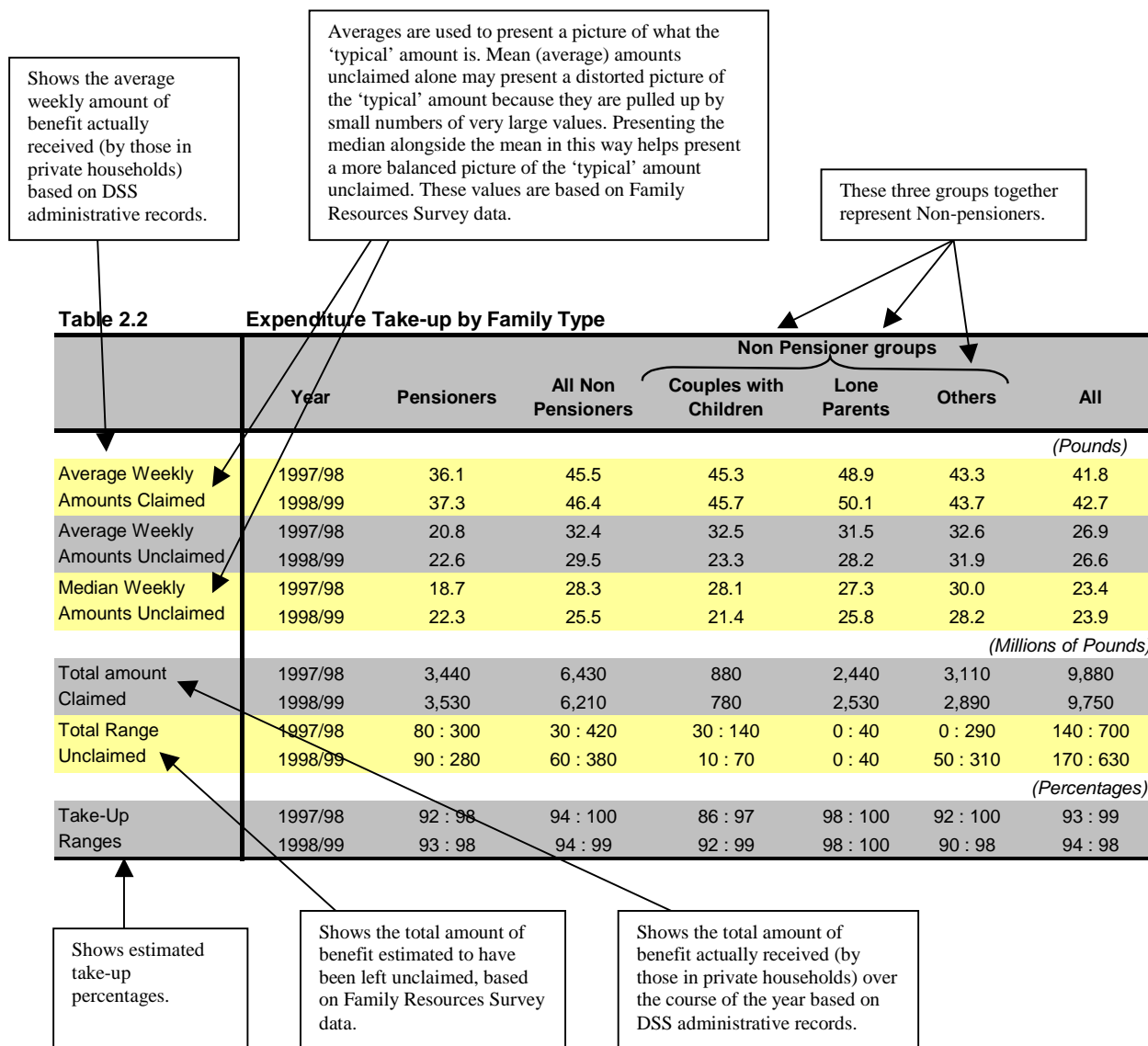
There are two basic types of table presented in this publication - one that contains statistics related to the caseload measure of take-up and a second that contains statistics related to the expenditure measure. The following illustrations are intended as a guide to interpreting the tables.

Illustration 1: Understanding tables presenting caseload take-up statistics

Table 2.1 Caseload Take-up by Family Type

	Year	Non Pensioner groups					All
		Pensioners	All Non Pensioners	Couples with Children	Lone Parents	Others	
		<i>(Thousands)</i>					
Number of Recipients	1997/98	1,830	2,710	370	960	1,380	4,540
	1998/99	1,820	2,570	330	970	1,270	4,390
Range of Entitled Non-Recipients	1997/98	80 : 260	20 : 230	20 : 70	0 : 20	0 : 150	110 : 470
	1998/99	80 : 220	40 : 230	10 : 50	0 : 20	30 : 170	130 : 430
		<i>(Percentages)</i>					
Take-Up Ranges	1997/98	88 : 96	92 : 99	84 : 95	98 : 100	90 : 100	91 : 98
	1998/99	89 : 96	92 : 98	88 : 98	98 : 100	88 : 98	91 : 97

Illustration 2: Understanding tables presenting expenditure take-up statistics



Glossary of Terms

Average

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

Benefit Unit

This is a single adult or couple, together with any dependent children (as defined under “Child”). An adult living in the same household as his or her parents, for example, is a separate benefit unit from the parents and would be assessed separately for Income Support, Jobseeker’s Allowance or Family Credit.

Confidence Interval

A measure of **sampling error**. A 95% 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 error in the survey and analysis processes.

Couple

A man and woman living together as husband and wife, including cohabiters.

Child

An individual under the age of 16 or an unmarried 16 – 18 year old on a course up to and including ‘A’ level standard (up to and including ‘Higher’ in Scotland).

Entitled

A benefit unit is said to be entitled to receive a benefit if they satisfy the conditions set down in order to qualify to receive the benefit.

Entitled Non-Recipient (ENR)

A benefit unit that is 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 are grossed up to represent the whole 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.

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 with half the entitled non-recipients having larger unclaimed amounts and half having smaller.

Modelled as Entitled

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, Entitled Recipients, Non-Entitled Non-Recipients, or Non-Entitled Recipients. Those benefit units classified as Entitled Non-Recipients and Entitled recipients have been “modelled as entitled”.

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 in the various benefits.

Private renter

The private renter’s category used here includes people renting accommodation from Registered Social Landlords.

Recipient

A benefit unit that is in receipt of a benefit.

Response Rate

This is the proportion of households approached by FRS interviewers who agree to take part in the survey. Response rates may vary between different household types.

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.

Symbols and Abbreviations

BU	Benefit unit	..	Not available
ENR	Entitled Non-Recipient	.	Not applicable/Not possible
CTB	Council Tax Benefit	-	Nil or negligible
FC	Family Credit	1998/99	Financial Year
HB	Housing Benefit	FRS	Family Resources Survey
IS	Income Support	LA	Local Authority
JSA	Jobseeker's Allowance	<	Less than
SAR	Second Adult Rebate		

Conventions Used in the Tables

1. Average amounts are rounded to the nearest 10 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 for all benefits.
7. Those not living in private households are excluded from all results for all benefits.

Chapter 1: Income Support

Income Support (IS) is paid to those on low incomes 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. It is also not paid to those with capital holdings of £8,000 or more (except those in Residential Care Nursing Homes for whom the upper limit is £16,000 – these cases are excluded from the analysis).

Men over 60 but under 65 and lone parents may claim either IS or Jobseeker's Allowance. For those who have an underlying entitlement to both of these benefits we cannot determine which one they might claim. In practise we know that the vast majority of these cases claim Income Support so for the purposes of estimating take-up we have made the assumption that men over 60 but under 65 and lone parents would claim IS rather than Jobseeker's Allowance, if they report receipt of neither. IS can be paid in conjunction with Housing Benefit and Council Tax Benefit but not Jobseeker's Allowance.

Guide to tables

Estimates of caseload and expenditure take-up are presented for all family types taken together and for three broad groupings of family types – pensioners, non-pensioners with children and non-pensioners without children - in Tables 1.1 and 1.2 respectively. The remaining tables present caseload and expenditure statistics for different pensioner groups (Tables 1.3 and 1.4), for different groups of non-pensioners with children (Tables 1.5 and 1.6) and for different groups of non-pensioners without children (Tables 1.7 and 1.8). Take-up statistics are presented including 95% confidence intervals.

The results presented for the groups 'Couples with children' and 'Other couples' are based on an analysis of 1997/98 and 1998/99 data combined because sample sizes were too small to produce robust estimates for the two years separately. These results therefore represent the average picture of take-up over the two years from April 1997 to March 1999. We have presented the combined results in the tables for both years as it makes the presentation of sub-totals and totals clearer.

Readers will notice that components do not always sum to totals in the tables. This is because 95% confidence intervals have been calculated separately for components and totals.

Technical note on the results in this chapter

The presentation of statistics for Income Support includes a breakdown of the 'Pensioners' family type into 'Pensioner couples', 'Single male pensioners' and 'Single female pensioners'. Statistics for non-pensioners without children include the breakdown: 'Other couples', 'Other single males' and 'Other single females'. Statistics for 'Lone parents' have not been split by gender because the resulting small sample sizes for male lone parents do not allow the calculation of statistically robust estimates.

The DSS research report No 100 "Overcoming barriers: Older people and Income Support" provided evidence of significant under-reporting of capital holdings by pensioners responding to the Family Resources Survey (FRS). Estimates of pensioner take-up presented in this chapter have been adjusted to take account of this potentially large source of bias. A fuller explanation of this problem and the solution to it are provided in Chapter 6.

Results

Summary Comments on the overall take-up of Income Support

Table 1.1: Caseload Take-up by Family Type

	Year	Pensioners	Non Pensioners with Children	Non Pensioners without Children	All
					<i>(Thousands)</i>
Number of Recipients	1997/98	1,470	1,240	860	3,570
	1998/99	1,410	1,200	860	3,460
Range of Entitled Non-Recipients	1997/98	330 : 730	10 : 70	80 : 240	420 : 1,010
	1998/99	330 : 670	10 : 70	80 : 230	430 : 940
					<i>(Percentages)</i>
Take-Up Ranges	1997/98	67 : 82	95 : 99	78 : 92	78 : 90
	1998/99	68 : 81	94 : 99	79 : 91	79 : 89

Table 1.2: Expenditure Take-up by Family Type

	Year	Pensioners	Non Pensioners with Children	Non Pensioners without Children	All
					<i>(Pounds)</i>
Average Weekly Amounts Claimed	1997/98	31.5	80.9	49.6	53.0
	1998/99	32.9	83.0	51.7	54.9
Average Weekly Amounts Unclaimed	1997/98	18.8	55.8	31.6	25.4
	1998/99	19.0	51.9	32.2	25.9
Median Weekly Amounts Unclaimed	1997/98	10.8	61.1	22.4	12.7
	1998/99	10.6	52.7	21.6	12.3
					<i>(Millions of Pounds)</i>
Total amount Claimed	1997/98	2,400	5,220	1,880	9,510
	1998/99	2,410	5,170	2,300	9,890
Total Range Unclaimed	1997/98	290 : 770	20 : 220	110 : 440	520 : 1,410
	1998/99	300 : 720	20 : 220	120 : 430	540 : 1,350
					<i>(Percentages)</i>
Take-Up Ranges	1997/98	76 : 89	96 : 100	84 : 95	87 : 95
	1998/99	77 : 89	96 : 100	84 : 95	88 : 95

Take-up remains largely unchanged between 1997/98 and 1998/99 by both caseload (Table 1.1) and expenditure (Table 1.2) measures.

Take-up of Income Support appears to be lowest amongst pensioners, higher for non-pensioners without children and higher still for non-pensioners with children. This result stands for both caseload and expenditure measures of take-up.

Pensioners are leaving smaller amounts of Income Support unclaimed than either non-pensioners with or non-pensioners without children (Table 1.2).

Pensioners

Table 1.3: Caseload Take-up by Pensioners

	Year	Couples	Single Males	Single Females
				<i>(Thousands)</i>
Number of Recipients	1997/98	260	250	960
	1998/99	250	240	920
Range of Entitled Non-Recipients	1997/98	70 : 150	40 : 130	200 : 480
	1998/99	60 : 130	50 : 140	200 : 430
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	64 : 79	66 : 85	67 : 83
	1998/99	66 : 81	63 : 82	68 : 82

Table 1.4: Expenditure Take-up by Pensioners

	Year	Couples	Single Males	Single Females
				<i>(Pounds)</i>
Average Weekly Amounts Claimed	1997/98	47.7	34.9	26.2
	1998/99	50.1	36.3	27.4
Average Weekly Amounts Unclaimed	1997/98	24.2	16.5	17.5
	1998/99	22.9	21.5	17.1
Median Weekly Amounts Unclaimed	1997/98	12.0	10.6	10.7
	1998/99	10.5	12.7	10.4
				<i>(Millions of Pounds)</i>
Total amount Claimed	1997/98	640	450	1,310
	1998/99	640	450	1,320
Total Range Unclaimed	1997/98	70 : 220	30 : 130	160 : 480
	1998/99	60 : 180	50 : 180	160 : 420
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	75 : 90	77 : 94	73 : 89
	1998/99	78 : 92	71 : 90	76 : 89

There is insufficient evidence of a change in take-up of Income Support by pensioners from 1997/98 to 1998/99 (Tables 1.3 and 1.4). This is true when considering either the caseload or the expenditure measure of take-up.

Although it appears that there is a difference in caseload take-up for single male pensioners between 1997/98 and 1998/99 (Table 1.3), the statistics provide insufficient evidence of a fall in true take-up. Note the substantial increase in the average amount unclaimed by single males. This is due to a greater proportion of ENRs in 1998/99 being modelled entitled to disability premiums² than in 1997/98.

Take-up appears to be similar amongst these three pensioner groups, though single female pensioners make up the majority of those entitled but not receiving Income Support (Table 1.3).

² Entitlement to disability premium and severe disability premium increases entitlement to benefit.

Non-pensioners with children

Table 1.5: Caseload Take-up by Non-Pensioners with Children

	Year	Couples with Children	Lone Parents
			(Thousands)
Number of Recipients	1997/98	170	1,070
	1998/99	170	1,030
Range of Entitled Non-Recipients	1997/98	10 : 30	0 : 50
	1998/99	10 : 30	0 : 50
			(Percentages)
Take-Up Ranges	1997/98	87 : 97	96 : 100
	1998/99	87 : 97	95 : 100

Note: Estimates for Couples with Children are based on combined 1997/98 and 1998/99

Table 1.6: Expenditure Take-up by Non-Pensioners with Children

	Year	Couples with Children	Lone Parents
			(Pounds)
Average Weekly Amounts Claimed	1997/98	94.0	78.7
	1998/99	94.0	81.1
Average Weekly Amounts Unclaimed	1997/98	51.2	58.2
	1998/99	51.2	52.2
Median Weekly Amounts Unclaimed	1997/98	35.2	61.1
	1998/99	35.2	52.7
			(Millions of Pounds)
Total amount Claimed	1997/98	850	4,370
	1998/99	850	4,330
Total Range Unclaimed	1997/98	10 : 80	0 : 160
	1998/99	10 : 80	0 : 160
			(Percentages)
Take-Up Ranges	1997/98	91 : 99	96 : 100
	1998/99	91 : 99	97 : 100

Note: Estimates for Couples with Children are based on combined 1997/98 and 1998/99

Estimates for couples with children represent the average picture of take-up over the period April 1997 to March 1999.

The highest level of take-up appears to be amongst lone parents (Tables 1.5 and 1.6), though the extent of the biases inherent in our data for other family types make it difficult to be certain³.

³ Range estimates for lone parents are narrow because the available evidence suggests that the potential for bias in the estimation of numbers of lone parents entitled to but not receiving their income support is very low. This makes us more confident of our estimate of take-up for lone parents than say for 'Couples with children' where, although the estimated range of take-up reaches 97%, it could also be as low as 87%. Refer to Chapter 6 for more on how we calculate our range estimates.

Non-pensioners without children

Table 1.7: Caseload Take-up by Non-Pensioners without Children

	Year	Couples	Single Males	Single Females
				<i>(Thousands)</i>
Number of Recipients	1997/98	100	410	350
	1998/99	100	400	350
Range of Entitled Non-Recipients	1997/98	10 : 30	50 : 140	10 : 90
	1998/99	10 : 30	60 : 130	10 : 80
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	77 : 91	75 : 89	80 : 97
	1998/99	77 : 91	76 : 87	80 : 99

Note: Estimates for Couples are based on combined 1997/98 and 1998/99 data.

Table 1.8: Expenditure Take-up by Non-Pensioners without Children

	Year	Couples	Single Males	Single Females
				<i>(Pounds)</i>
Average Weekly Amounts Claimed	1997/98	63.9	47.4	47.8
	1998/99	63.9	50.0	50.0
Average Weekly Amounts Unclaimed	1997/98	39.2	25.8	36.3
	1998/99	39.2	30.3	31.2
Median Weekly Amounts Unclaimed	1997/98	28.3	14.4	24.9
	1998/99	28.3	23.0	19.1
				<i>(Millions of Pounds)</i>
Total amount Claimed	1997/98	350	1,010	870
	1998/99	350	1,050	910
Total Range Unclaimed	1997/98	20 : 70	50 : 220	20 : 190
	1998/99	20 : 70	70 : 250	10 : 170
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	83 : 95	82 : 95	82 : 98
	1998/99	83 : 95	81 : 93	85 : 99

Note: Estimates for Couples are based on combined 1997/98 and 1998/99 data.

Estimates for 'Couples' represent the average picture of take-up over the period April 1997 to March 1999.

Take-up by single males without children and single females without children appears to be unchanged between 1997/98 and 1998/99.

Due to the uncertainty in the extent of potential bias in the estimates of the numbers of entitled non-recipients - represented by the width of the range estimates - there is insufficient evidence to say whether or not take-up differs amongst couples, single males or single females.

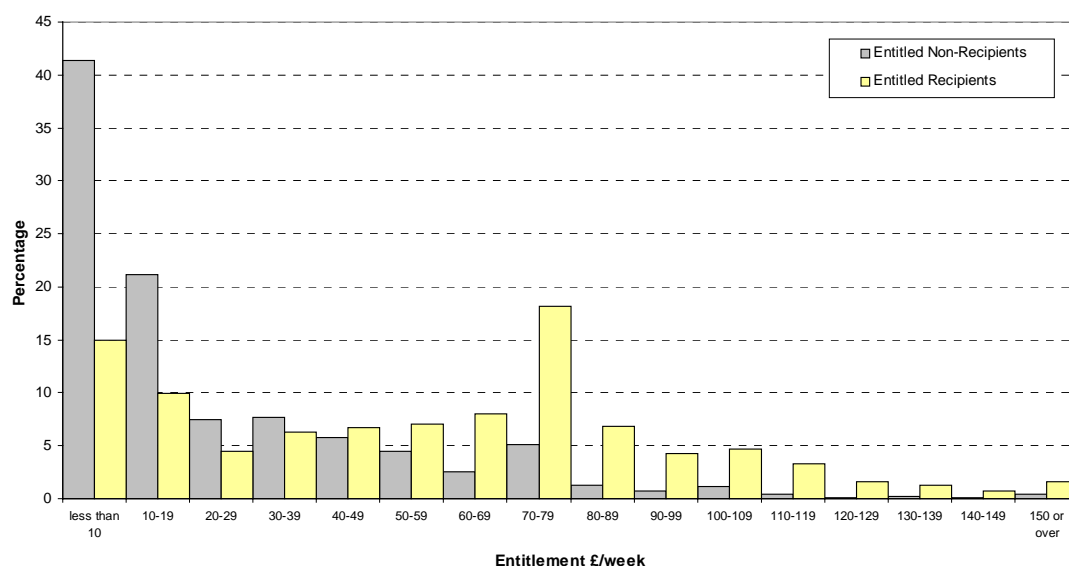
Further analysis of those entitled but not receiving Income Support

In this section we describe the characteristics of those who are entitled to Income Support but not receiving it (ENRs). Where appropriate, we contrast them with the characteristics of those entitled and receiving their Income Support and in doing so explore some of the possible causes of non-take-up. In this report we have combined data from the 1997/98 and 1998/99 Family Resources Survey years to make the analyses more robust. Despite this, 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 the methodology chapter) and so they should be treated with some caution.

Amounts unclaimed

Those entitled to yet not receiving Income Support tend to be entitled to smaller amounts than those entitled to and receiving Income Support. Graph 1 clearly illustrates this point - notice how the entitled non-recipients group dominates the lower entitlement bars in the chart. The chart also clearly shows that the distribution of amounts unclaimed is heavily skewed to smaller amounts – about 40% in the less than £10 band alone.

Graph 1: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Support



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. It may also be that those with less entitlement are less confident of their entitlement. Whatever the reason, 23% of ENRs are entitled to less than £5 per week compared with only 6% of entitled recipients and this pattern of difference holds across all family types.

The age profile of pensioners

Pensioner ENRs tend to be slightly older than their entitled recipient counterparts. Overall, 59% of pensioner ENRs were 75 or over compared with 49% of entitled recipients. A greater proportion of single female pensioner ENRs were aged 75 or over than either single males or pensioner couples (70%, 55% and 32% respectively). This pattern is repeated amongst those pensioners entitled to and receiving Income Support (61%, 34% and 25% respectively).

Receipt of Attendance Allowance or Disability Living Allowance

Overall, 35% of entitled non-recipients are in receipt of AA or DLA compared with 27% of entitled recipients.

Getting by on other income

Another possible explanation for non-take-up is that ENRs “get by” on other sources of income. 38% of single ENRs have other income (excluding Housing Benefit and Council Tax Benefit) of more than £75 per week compared with only 19% 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. If we look in more detail at different groupings of single people we find that for certain groups the differences between ENRs and entitled recipients appear to be greater than for others. For example, 47% of lone parent ENRs have other income in excess of £75 per week compared with only 13% of entitled recipients. This compares with 43% and 24% respectively for single male pensioners, 40% and 31% respectively for single female pensioners and 23% and 12% respectively for other singles. It should be noted that some of this variation could be due to the relatively modest sample sizes that the figures are based on.

When we look at couples, the picture is rather different. Only in the case of pensioner couples is there a significant difference between the percentage of ENRs (53%) and the percentage of entitled recipients (33%) with other income exceeding £100 per week. This suggests that whilst, the existence of significant amounts of other income may dissuade pensioner couple ENRs from claiming Income Support, it is not a major factor in dissuading couples with children and other couples (childless non-pensioner couples) from claiming.

The previous analysis includes much 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 ignored, then when we calculate how much Income Support someone is entitled to, we can get some idea whether those ENRs who have higher entitlements to Income Support are more or less likely to try and ‘get by’ on the benefit income they already have. For single people, 12% of ENRs and 21% of entitled recipients had other benefit income of more than £75 per week. So, whilst living on other benefit income may be a factor that dissuades those with relatively high entitlements to Income Support from claiming, it does not appear to be a major one. The same conclusion is reached when we examine couples. Overall 8% of ENRs and 18% of entitled recipients had other benefit income in excess of £100 per week.

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, 34% of ENRs and 25% of entitled recipients share their household with other benefit units. This difference between ENRs and entitled recipients is particularly strong in the case of lone parents (38% of ENRs, 16% of entitled recipients). Of the ENRs living in households with more than one benefit unit, 64% live with benefit units with more than £150 per week of gross income. This compares to 53% in the case of entitled recipients living with other benefit units. This suggests that the benefit units living with entitled recipients tend to have less gross income (and therefore resources to share) than their counterparts who live with ENRs, possibly contributing to their decisions to claim.

Chapter 2: Housing Benefit

Housing benefit (HB) is paid to people on low income who rent their home. It is paid whether or not the claimant is in full time work and may be paid alongside other means tested benefits or on its own. The estimates given here exclude the full time self-employed.

Guide to Tables

Take-up statistics for HB are presented in two sets of tables. The first set, Tables 2.1 and 2.2, present take-up by caseload and expenditure respectively for different family types. The second set of tables, 2.3 and 2.4, show caseload and expenditure take-up for families with different tenure arrangements. Note that the tenure type 'Private renters' includes Registered Social Landlords. In common with the other benefits HB take-up statistics are presented including a 95% confidence interval.

Readers will notice that components do not always sum to totals in the tables. This is because 95% confidence intervals have been calculated separately for components and totals.

Technical note on the results in this chapter

It is possible that the estimates presented for pensioners may understate take-up. This is because it has not proved possible to adjust the estimates for the possible problem of capital misreporting highlighted in the DSS research report "Overcoming Barriers: Older People and Income Support"⁴. See Chapter 6 for a more detailed discussion of this issue.

Summary comments on the overall take-up of Housing Benefit

Take-up of HB did not change between 1997/98 and 1998/99, measured by either caseload (Table 2.1) or expenditure (Table 2.2).

Overall take-up of HB is higher than take-up for any other income-related benefit, whether measured by caseload or expenditure (Tables 2.1 and 2.2).

In common with the other income-related benefits, amounts of HB left unclaimed tend to be smaller than amounts claimed (Table 2.2). In contrast to Income Support, the distribution of amounts of unclaimed HB is not so dominated by the very small amounts (Table 2.2 – note how similar the median and mean amounts unclaimed are).

⁴ Overcoming Barriers: Older People and Income Support (1999) Paddy Costigan, Helen Finch, Beverley Jackson, Robin Legard and Jane Ritchie (ISBN 1 84 123 148 7). For a summary of this report see the following website: <http://www.dss.gov.uk/asd/asd5/100summ.html>

Results

by Family Type

Table 2.1: Caseload Take-up by Family Type

	Year	Pensioners	All Non Pensioners	Non Pensioner groups			All
				Couples with Children	Lone Parents	Others	
							(Thousands)
Number of Recipients	1997/98	1,830	2,710	370	960	1,380	4,540
	1998/99	1,820	2,570	330	970	1,270	4,390
Range of Entitled Non-Recipients	1997/98	80 : 260	20 : 230	20 : 70	0 : 20	0 : 150	110 : 470
	1998/99	80 : 220	40 : 230	10 : 50	0 : 20	30 : 170	130 : 430
							(Percentages)
Take-Up Ranges	1997/98	88 : 96	92 : 99	84 : 95	98 : 100	90 : 100	91 : 98
	1998/99	89 : 96	92 : 98	88 : 98	98 : 100	88 : 98	91 : 97

Table 2.2: Expenditure Take-up by Family Type

	Year	Pensioners	All Non Pensioners	Non Pensioner groups			All
				Couples with Children	Lone Parents	Others	
							(Pounds)
Average Weekly Amounts Claimed	1997/98	36.1	45.5	45.3	48.9	43.3	41.8
	1998/99	37.3	46.4	45.7	50.1	43.7	42.7
Average Weekly Amounts Unclaimed	1997/98	20.8	32.4	32.5	31.5	32.6	26.9
	1998/99	22.6	29.5	23.3	28.2	31.9	26.6
Median Weekly Amounts Unclaimed	1997/98	18.7	28.3	28.1	27.3	30.0	23.4
	1998/99	22.3	25.5	21.4	25.8	28.2	23.9
							(Millions of Pounds)
Total amount Claimed	1997/98	3,440	6,430	880	2,440	3,110	9,880
	1998/99	3,530	6,210	780	2,530	2,890	9,750
Total Range Unclaimed	1997/98	80 : 300	30 : 420	30 : 140	0 : 40	0 : 290	140 : 700
	1998/99	90 : 280	60 : 380	10 : 70	0 : 40	50 : 310	170 : 630
							(Percentages)
Take-Up Ranges	1997/98	92 : 98	94 : 100	86 : 97	98 : 100	92 : 100	93 : 99
	1998/99	93 : 98	94 : 99	92 : 99	98 : 100	90 : 98	94 : 98

The different family types appear to have similar take-up rates. It is not possible to say for certain which family type has the highest take-up rate and which has the lowest, by either caseload or expenditure. However, the range estimates are very narrow and close to 100% for lone parents so take-up is almost certainly highest for this group.

by Tenure Type

Table 2.3: Caseload Take-up by Tenure Type

	Year	LA Tenants	Private Renters	All
				<i>(Thousands)</i>
Number of Recipients	1997/98	2,730	1,810	4,540
	1998/99	2,610	1,780	4,390
Range of Entitled Non-Recipients	1997/98	30 : 200	70 : 280	110 : 470
	1998/99	70 : 240	50 : 210	130 : 430
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	93 : 99	86 : 96	91 : 98
	1998/99	92 : 97	89 : 97	91 : 97

Table 2.4: Expenditure Take-up by Tenure Type

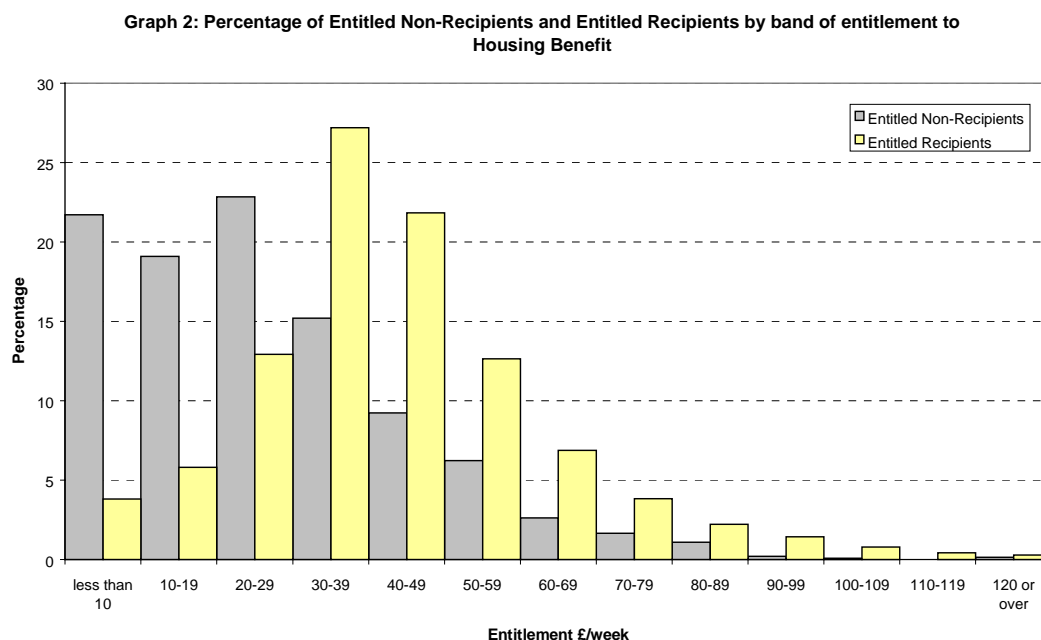
	Year	LA Tenants	Private Renters	All
				<i>(Pounds)</i>
Average Weekly Amounts Claimed	1997/98	35.6	51.3	41.8
	1998/99	36.3	52.2	42.7
Average Weekly Amounts Unclaimed	1997/98	20.6	32.3	26.9
	1998/99	21.5	31.9	26.6
Median Weekly Amounts Unclaimed	1997/98	18.8	28.8	23.4
	1998/99	22.5	26.4	23.9
				<i>(Millions of Pounds)</i>
Total amount Claimed	1997/98	5,060	4,830	9,880
	1998/99	4,940	4,830	9,750
Total Range Unclaimed	1997/98	30 : 240	110 : 520	140 : 700
	1998/99	70 : 280	80 : 380	170 : 630
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	96 : 99	90 : 98	93 : 99
	1998/99	95 : 99	93 : 98	94 : 98

It is not possible to say which group has the highest take-up rate when we analyse take-up of HB by tenure type (Tables 2.3 and 2.4). The ranges for private renters are, on the whole, wider than the ranges for LA tenants. This is because it is more difficult to determine the direction and extent of biases in the estimates for private renters than it is for LA tenants, so we have to allow for a wider range of possibilities.

LA tenants tend to leave smaller amounts of HB unclaimed than private renters do, and their average weekly amount claimed is substantially smaller than that of private renters.

Further analysis of those entitled to but not receiving Housing Benefit

Like the other income-related benefits, those who do not claim HB tend to be entitled to smaller amounts than those who do claim. This characteristic can be seen in tables 2.2 and 2.4 and by reference to Graph 2 which shows the percentage of entitled non-recipients (ENRs) and entitled recipients against bands of entitlement to HB. One possible explanation for this is that some people may not consider it worth their while claiming small amounts of benefit.



Another difference between ENRs and entitled recipients is in the percentages that are claiming their entitlement to other income-related benefits. For example, 92% of those who claim HB to which they are entitled are also claiming CTB compared to only 17% of ENRs. There is a similar picture when we look at receipt of Income Support by those entitled to HB. 52% of entitled recipients of HB are receiving Income Support compared to only 6% of ENRs of HB. Furthermore, 16% of HB ENRs are also ENRs of CTB. This is compared to only 2% of entitled recipients of HB who are ENRs of CTB.

There is some evidence to suggest that people assume they will not be eligible to claim HB once they are working⁵. This ignorance of the benefit rules could prevent some from claiming. Analysis of the FRS lends support to this where we find that 22% of ENRs have at least one adult in full time work compared to only 4% of entitled recipients.

A final cause of non-take-up examined here is that, following a change of accommodation, some people might not have got around to claiming yet. Of those who are entitled but not claiming HB, around 15% had moved into the property within the last six months. However, further analysis shows that when we remove those ENRs who are awaiting the outcome of a claim the percentage having recently moved in falls to 10%. This is very similar to the equivalent percentage amongst entitled recipients of HB at 8%. This suggests that the amount of time that someone has spent in a property is not a major influence on take-up of HB.

⁵ *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.

Chapter 3: Council Tax Benefit

Council Tax Benefit (CTB) is available to those with a Council Tax liability via two routes: Main CTB and Second Adult Rebate. Main CTB is paid to anyone on a sufficiently low income to qualify and those on Income Support or Jobseeker's Allowance (IB) are automatically eligible to full main CTB. Second Adult Rebate (SAR) is paid to single adults living with another person who is not liable for Council Tax. The primary purpose of this chapter is to look at take-up for main CTB although some tentative estimates for SARs are included at the end.

Guide to tables

Take-up statistics for main Council Tax Benefit are presented in two sets of tables. The first set, tables 3.1 and 3.2, present take-up by caseload and expenditure respectively for different family types. The second set of tables, 3.3 and 3.4, show caseload and expenditure take-up for families with different tenure arrangements. Note that the tenure type 'Private renters' includes Registered Social Landlords. Statistics on the take-up of Second Adult Rebate are presented in tables 3.5 and 3.6. Take-up statistics are presented including 95% confidence intervals.

Readers will notice that components do not always sum to totals in the tables. This is because 95% confidence intervals have been calculated separately for components and totals.

Technical note on the results in this chapter

We are less confident of the statistics by tenure type than we are of statistics by family type. This is because the DSS administrative data contains insufficient information to enable us to analyse receipt of CTB accurately by tenure type. The tenure breakdown of 'Number of Recipients' shown in Table 3.3 was derived by applying the percentage of CTB recipients in each tenure group from the Family Resources Survey to the total number of recipients from the administrative data. To get the average amounts claimed by tenure group, we used what information the 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.

In this edition a methodological refinement introduced for some groups in the last edition has been extended to all groups. The refinement relates to how we cater for the under-estimation and over-estimation of benefit entitlement - see Chapter 6 for more details.

It is possible that the estimates presented for pensioners may understate take-up. This is because it has not proved possible to adjust the estimates for the possible problem of capital misreporting highlighted in the DSS research report "Overcoming Barriers: Older People and Income Support"⁶. See Chapter 6 for a more detailed discussion of this issue.

⁶ Overcoming Barriers: Older People and Income Support (1999) Paddy Costigan, Helen Finch, Beverley Jackson, Robin Legard and Jane Ritchie (ISBN 1 84 123 148 7)

Summary comments on the overall take-up of main CTB

Between 1997/98 and 1998/99, take-up is virtually unchanged when measured by either caseload or expenditure (Tables 3.1 and 3.2).

Take-up of Council Tax Benefit appears to be lowest amongst pensioners and is highest amongst lone parents when analysed by either caseload or expenditure (Tables 3.1 and 3.2).

Take-up is higher by those living in Local Authority rented accommodation than by those living in private rented accommodation. Those owning their own accommodation have the lowest rate of take-up of Council Tax Benefit. These differences exist when considering either the caseload or the expenditure measure of take-up (Tables 3.3 and 3.4).

In common with the other income-related benefits, average amounts claimed tend to be higher than average amounts unclaimed (Tables 3.2 and 3.4). However, the differences between amounts claimed and unclaimed tend to be smaller for CTB than the differences seen for other benefits. This effect feeds through into the take-up ranges where we see that there is less difference between caseload and expenditure take-up measures in the case of main CTB than there is for other benefits.

Results

by family type

Table 3.1: Caseload Take-up by Family Type

	Year	Pensioners	All Non Pensioners	Non Pensioner groups			All
				Couples with Children	Lone Parents	Others	
							<i>(Thousands)</i>
Number of Recipients	1997/98	2,600	2,780	450	1,000	1,340	5,380
	1998/99	2,580	2,650	390	1,000	1,260	5,230
Range of Entitled Non-Recipients	1997/98	900 : 1,170	280 : 510	60 : 120	0 : 60	220 : 350	1,200 : 1,660
	1998/99	920 : 1,220	310 : 550	60 : 120	0 : 70	240 : 390	1,250 : 1,750
							<i>(Percentages)</i>
Take-Up Ranges	1997/98	69 : 74	84 : 91	79 : 89	94 : 100	79 : 86	76 : 82
	1998/99	68 : 74	83 : 90	77 : 87	94 : 100	76 : 84	75 : 81

Table 3.2: Expenditure Take-up by Family Type

	Year	Pensioners	All Non Pensioners	Non Pensioner groups			All
				Couples with Children	Lone Parents	Others	
							<i>(Pounds)</i>
Average Weekly Amounts Claimed	1997/98	7.3	8.3	9.6	8.2	8.0	7.8
	1998/99	7.7	8.6	9.8	8.6	8.3	8.2
Average Weekly Amounts Unclaimed	1997/98	6.2	7.6	7.5	7.2	8.0	6.7
	1998/99	6.3	8.1	7.5	8.1	8.4	7.0
Median Weekly Amounts Unclaimed	1997/98	5.9	7.6	7.1	6.8	8.0	6.4
	1998/99	5.9	7.9	7.7	7.8	8.0	6.5
							<i>(Millions of Pounds)</i>
Total amount Claimed	1997/98	980	1,200	220	420	560	2,180
	1998/99	1,030	1,190	200	450	540	2,220
Total Range Unclaimed	1997/98	280 : 390	110 : 210	20 : 50	0 : 30	80 : 160	400 : 600
	1998/99	290 : 420	120 : 250	20 : 50	0 : 30	100 : 180	440 : 650
							<i>(Percentages)</i>
Take-Up Ranges	1997/98	71 : 78	85 : 92	81 : 92	94 : 100	78 : 87	78 : 84
	1998/99	71 : 78	83 : 91	80 : 91	93 : 100	75 : 85	77 : 84

Take-up percentages are virtually unchanged between 1997/98 and 1998/99 for all family types by both caseload (Table 3.1) and expenditure (Table 3.2). Of all family types, take-up is highest amongst lone parents, where it has been measured at over 90% by both caseload and expenditure.

Take-up of main CTB appears lowest for pensioners when measured by either caseload or expenditure, although the estimates presented here may under-state take-up for pensioners.

by tenure type

Table 3.3: Caseload Take-up by Tenure Type

Tenure Type	Year	LA Tenants	Private Renters	Owner Occupiers	All
					(Thousands)
Number of Recipients	1997/98	2,590	1,390	1,400	5,380
	1998/99	2,550	1,410	1,270	5,230
Range of Entitled Non-Recipients	1997/98	90 : 270	160 : 300	930 : 1,130	1,200 : 1,660
	1998/99	80 : 260	190 : 340	950 : 1,180	1,250 : 1,750
					(Percentages)
Take-Up Ranges	1997/98	91 : 97	82 : 89	55 : 60	76 : 82
	1998/99	91 : 97	81 : 88	52 : 57	75 : 81

Table 3.4: Expenditure Take-up by Tenure Type

Tenure Type	Year	LA Tenants	Private Renters	Owner Occupiers	All
					(Pounds)
Average Weekly Amounts Claimed	1997/98	7.9	8.1	7.2	7.8
	1998/99	8.1	8.4	8.0	8.2
Average Weekly Amounts Unclaimed	1997/98	5.4	8.1	6.7	6.7
	1998/99	5.9	8.8	6.7	7.0
Median Weekly Amounts Unclaimed	1997/98	5.4	7.7	6.4	6.4
	1998/99	5.7	8.0	6.4	6.5
					(Millions of Pounds)
Total amount Claimed	1997/98	1,070	590	530	2,180
	1998/99	1,070	620	530	2,220
Total Range Unclaimed	1997/98	20 : 80	60 : 130	310 : 410	400 : 600
	1998/99	20 : 90	80 : 160	320 : 430	440 : 650
					(Percentages)
Take-Up Ranges	1997/98	93 : 98	82 : 90	56 : 63	78 : 84
	1998/99	92 : 98	79 : 88	55 : 63	77 : 84

For those in Local Authority accommodation take-up is high at over 90% by both caseload and expenditure.

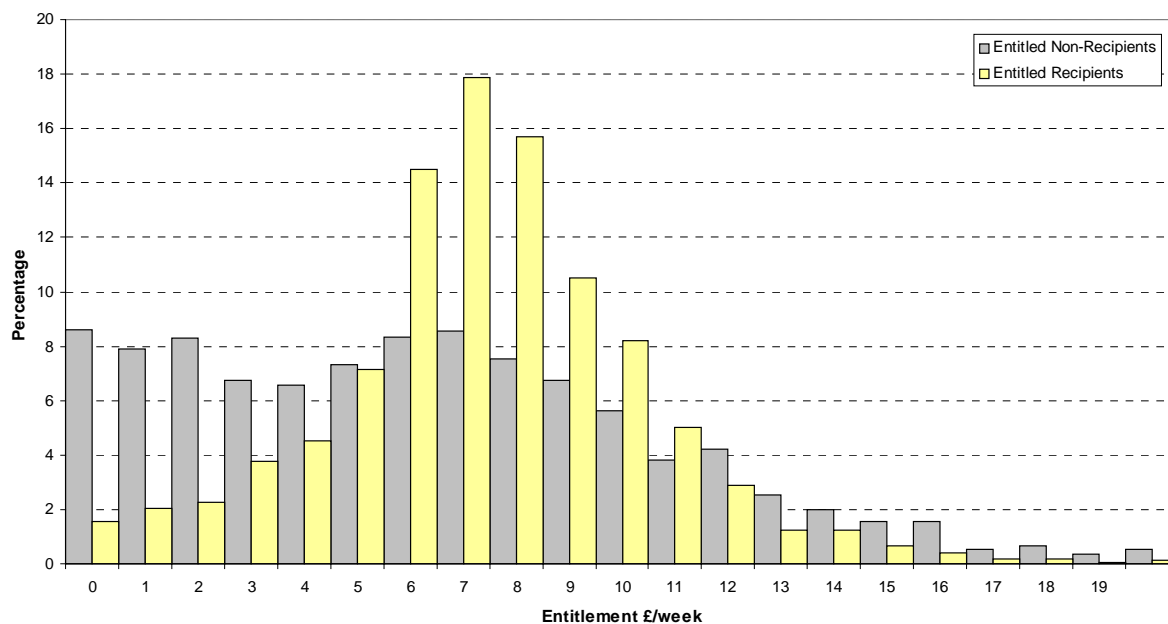
Take-up by owner-occupiers remains low when measured by either the caseload (Table 3.3) or expenditure (Table 3.4) method. There is also some evidence of a slight fall in take-up amongst owner-occupiers when measured by caseload, although this is not conclusive. Otherwise, take-up percentages are virtually unchanged between 1997/98 and 1998/99.

We are less confident of the statistics by tenure type than we are of statistics by family type. This is because the DSS administrative data contains insufficient information to enable us to analyse receipt of CTB accurately by tenure type. To produce the statistics shown in Tables 3.3 and 3.4 we estimated the number of recipients in each tenure group by applying the percentage of CTB recipients in each tenure group from the Family Resources Survey to the total number of recipients from the administrative data. To get the average amounts claimed by tenure group, we used what information the 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.

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

Graph 3 shows the relationship between take-up and entitlement to CTB. As with the other income-related benefits, entitled non-recipients (ENRs) of Council Tax Benefit tend to be entitled to lower amounts than entitled recipients. In addition, analysis of the FRS also reveals that 73% of recipients are entitled to full CTB compared with 38% of ENRs. It should be noted that far more recipients of CTB are on Income Support/Jobseeker’s Allowance and therefore have entitlement to full CTB automatically than ENRs of CTB.

Graph 3: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Council Tax Benefit



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 on the FRS by comparing the length of time ENRs have lived in their current accommodation with the same for entitled recipients. The proportion of ENRs who had moved into a property within the last 6 months was 6%, slightly lower than the equivalent proportion of entitled recipients (8%). This suggests the amount of time that someone has spent in a property is not a major influence on take-up of CTB.

Another difference between ENRs and entitled recipients is in the percentages that are claiming their entitlement to other income-related benefits. For example, 53% of entitled recipients of Council Tax Benefit are receiving Income Support compared with only 7% of ENRs. There is a similar picture when we look at receipt of Housing Benefit by those entitled to CTB. Here we find that 73% of entitled recipients of Council Tax Benefit are receiving Housing Benefit compared to only 11% of ENRs. Furthermore, 20% of CTB ENRs are also ENRs of IS. This is compared to 10% of CTB entitled recipients who are ENRs of IS. When we look at CTB and HB we get a similar pattern. Here we find that 16% of CTB ENRs are also ENRs of HB compared to only 2% of entitled recipients.

Second Adult Rebates

Table 3.5: Caseload Take-up of SAR

All Groups	Year	Second Adult Rebate
		<i>(Thousands)</i>
Recipients	1997/98	40
	1998/99	40
Entitled Non Recipients	1997/98	200
	1998/99	230
		<i>(Percentages)</i>
Take-Up	1997/98	18
	1998/99	16

Table 3.6: Expenditure Take-up of SAR

All Groups	Year	Second Adult Rebate
		<i>(Pounds)</i>
Average Weekly Amounts Claimed	1997/98	2.2
	1998/99	2.7
Average Weekly Amounts Unclaimed	1997/98	1.3
	1998/99	1.5
		<i>(Millions of Pounds)</i>
Total Claimed	1997/98	<10
	1998/99	<10
Total Unclaimed	1997/98	10
	1998/99	20
		<i>(Percentages)</i>
Take-Up	1997/98	26
	1998/99	25

The statistics for Second Adult Rebates are based on small sample sizes and must be viewed with extreme caution. Estimates for second adult rebates are given as point estimates as problems with the survey data make the production of ranges impossible. There is no evidence of a change in take-up from 1997/98 to 1998/99.

Chapter 4: Jobseeker's Allowance

Jobseeker's Allowance (JSA) was introduced in October 1996. It is one benefit with two routes of entry: those who have paid sufficient National Insurance contributions get contribution-based JSA, and 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 rules for income-based JSA are similar to those for Income Support except for the additional requirements that claimants have to demonstrate that they are available for and actively seeking work. **The figures presented in this chapter refer only to the income-based element of JSA. This will be referred to from this point on as JSA (IB).**

Men over 60 but under 65 and lone parents may claim either Income Support or JSA (IB). For those who have an underlying entitlement to both of these benefits we cannot determine which one they might claim. In practise we know that the vast majority of these cases claim Income Support so for the purposes of estimating take-up we have made the assumption that men over 60 but under 65 and lone parents would claim IS, rather than JSA (IB), if they report receipt of neither.

Guide to tables

Two tables, 4.1 and 4.2, present caseload and expenditure take-up statistics respectively for JSA (IB). Statistics are sub-divided into three non-pensioner family types – couples with children, single males and single females. The statistics have been presented including a 95% confidence interval. The results presented for the group 'Couples with Children' are based on analysis of 1997/98 and 1998/99 data combined. These results therefore represent the average picture of take-up over the two years from April 1997 to March 1999. Estimates of take-up by 'Other couples' (childless non-pensioner couples) have not been presented since they were not statistically robust.

Readers will notice that components do not always sum to totals in the tables. This is because 95% confidence intervals have been calculated separately for components and totals.

Results

by family type

Table 4.1: Caseload Take-up by Family Type

	Year	Couples With Children	Single Males	Single Females	All
					(Thousands)
Number of Recipients	1997/98	150	650	210	1,020
	1998/99	150	590	190	930
Range of Entitled	1997/98	20 : 40	100 : 250	70 : 160	200 : 420
Non-Recipients	1998/99	20 : 40	80 : 270	90 : 160	200 : 440
					(Percentages)
Take-Up	1997/98	79 : 90	73 : 87	58 : 76	71 : 84
Ranges	1998/99	79 : 90	69 : 88	54 : 68	68 : 82

Note: Estimates for Couples with Children are based on combined 1997/98 and 1998/99 data.

Table 4.2: Expenditure Take-up by Family Type

	Year	Couples With Children	Single Males	Single Females	All
					(Pounds)
Average Weekly Amount Claimed	1997/98	107.4	46.3	43.8	54.9
	1998/99	107.4	47.7	45.3	57.0
Average Weekly Amount Unclaimed	1997/98	72.5	33.7	34.8	38.4
	1998/99	72.5	34.9	35.0	39.2
Median Weekly Amount Unclaimed	1997/98	71.6	38.9	38.9	38.9
	1998/99	71.6	39.9	39.9	39.9
					(Millions of Pounds)
Total Amount Claimed	1997/98	850	1,570	490	2,060
	1998/99	850	1,470	440	1,910
Total Range Unclaimed	1997/98	50 : 170	170 : 460	110 : 310	370 : 870
	1998/99	50 : 170	140 : 520	140 : 310	380 : 940
					(Percentages)
Take Up	1997/98	83 : 94	77 : 90	61 : 82	77 : 89
Ranges	1998/99	83 : 94	74 : 91	58 : 76	75 : 88

Note: Estimates for Couples with Children are based on combined 1997/98 and 1998/99 data.

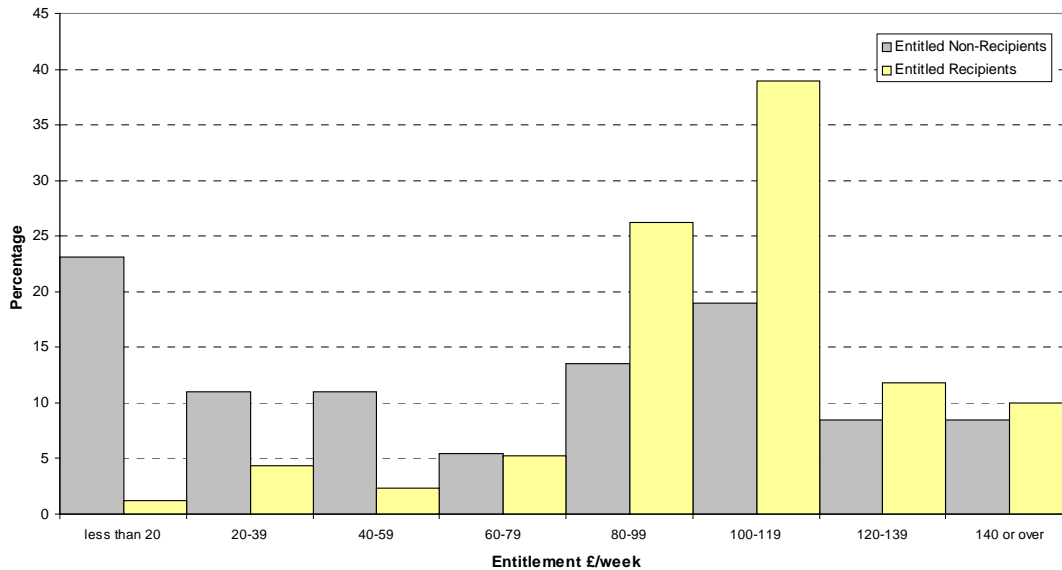
Take-up remains broadly unchanged overall between 1997/98 and 1998/99 by both caseload (Table 4.1) and expenditure (Table 4.2) measures. Take-up appears to be lowest for single females when measured by both caseload and expenditure.

In common with the other income-related benefits, unclaimed amounts of JSA (IB) tend to be lower than amounts claimed (Table 4.2).

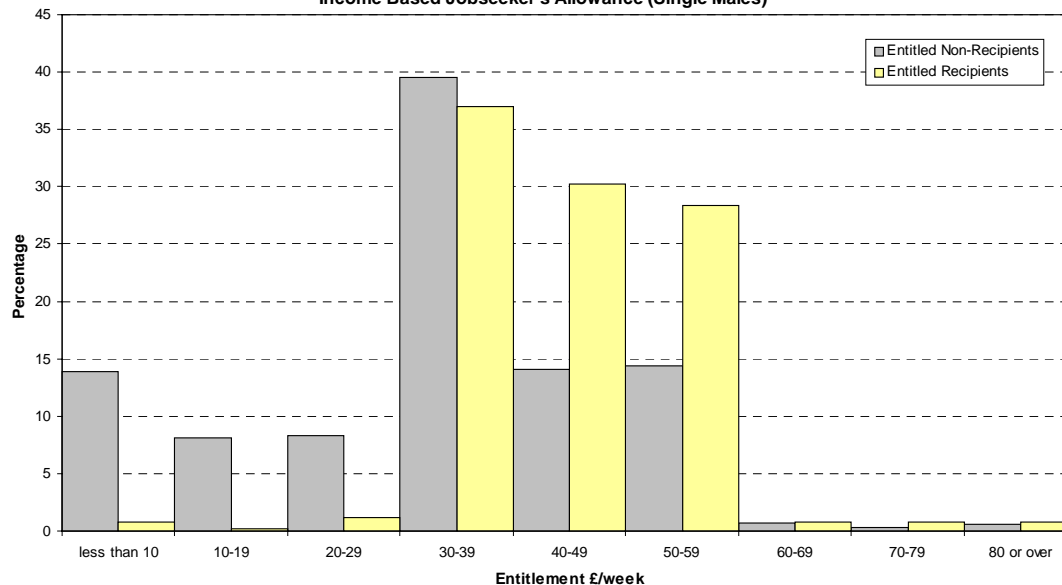
Further analysis of those entitled to but not receiving JSA (IB)

Graphs 4.1, 4.2 and 4.3 show the percentage of entitled non-recipients (ENRs) and entitled recipients against bands of entitlement to JSA (IB). All three graphs clearly show that larger amounts are more likely to be claimed. Graphs 4.2 and 4.3 show a peak in amounts unclaimed at the £30-£40 band. This is because this band includes the £38.90 (1997/98) and £39.85 (1998/99) standard amounts of entitlement for the under 25s who, as we will see, make up a large proportion of ENRs.

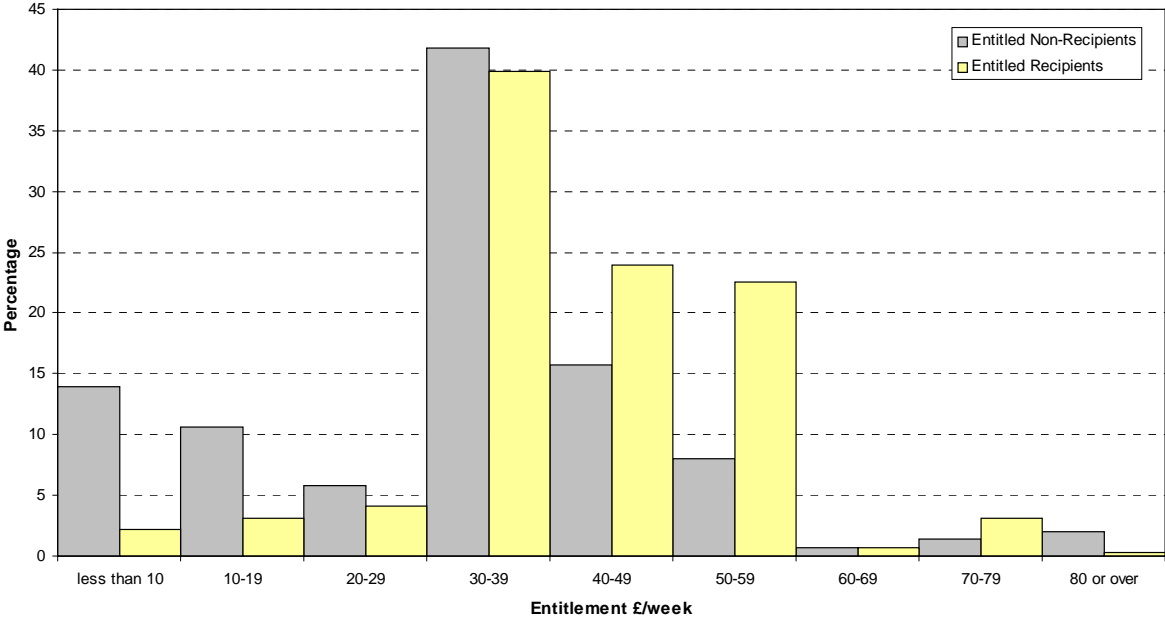
Graph 4.1: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Based Jobseeker's Allowance (Couples with Children)



Graph 4.2: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Based Jobseeker's Allowance (Single Males)



Graph 4.3: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Based Jobseeker's Allowance (Single Females)

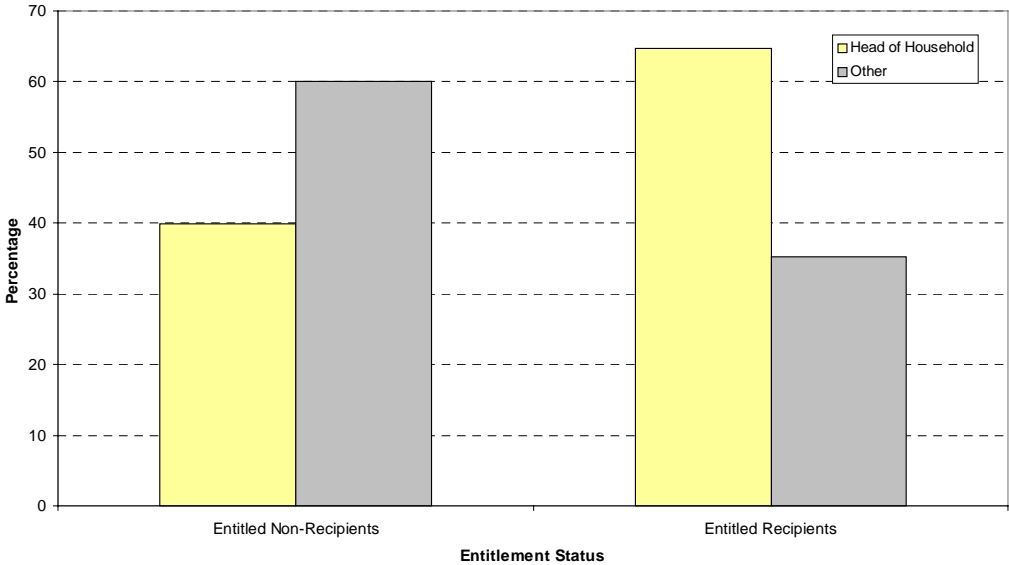


Around 45% of ENRs of JSA (IB) fall into the under 25 years of age category. This compares with 30% of entitled recipients.

In the case of single men and women the majority of ENRs of JSA (IB) are young adults who are not the head of the household. This is true for 72% of single males and 69% of single females. Further analysis of these shows that about 85% of the single females and 80% of the single males are young people living with their parents.

Graph 4.4 shows the relationship between benefit receipt by entitled people and status within the household. In the case of those who do not claim, about a third are the heads of their household. In contrast, over half of those who do claim are the heads of their household.

Graph 4.4: Percentage of Entitled Non-Recipients and Entitled Recipients by status in Household



One possible explanation for non-take-up is that some people may not claim the moment they become eligible to receive JSA (IB). This may happen for a number of reasons. For example, some people may just take a few days 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 because people may have not got around to claiming benefit at the time of their FRS interview. The data shows that for ENRs around 50% have been unemployed for less than 1 month compared with 30% for entitled recipients. This suggests that length of time unemployed is a factor affecting take-up of JSA (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 the FRS data shows that 43% of single male ENRs have been unemployed for less than 1 month compared with 65% of single female ENRs. Analysis of DSS administrative records⁷ also lends tentative support to this finding. The average inflow rate⁸ for single males was 35% between November 1997 and February 2000, compared with 45% for single females. The average outflow rate⁹ over the same period was 50% for single males and 60% for single females. This suggests that females tend to spend less time on JSA (IB) than males.

⁷ An analysis of average inflows onto JSA (IB) and average outflows off JSA (IB) between November 1997 and February 2000.

⁸ Inflow rate = numbers coming onto benefit / total number on benefit

⁹ Outflow rate = numbers leaving benefit / total number on benefit

Chapter 5: Family Credit

Family Credit is a tax-free benefit for low-paid workers with children. It acts as a wages top-up for people working more than 16 hours per week. Family Credit is paid weekly at the same rate for 26 weeks regardless of changes in circumstance. 1998/99 represents the last full year of Family Credit. In October 1999 it was replaced by Working Families Tax Credit (WFTC) which is administered by the Inland Revenue. Family Credit take-up statistics will not be published for the period April 1999-October 1999, in view of the smaller sample size available to support estimates.

The estimates for Family Credit, as for all other benefits, exclude the full time self-employed.

Guide to the tables

Tables 5.1 and 5.2 show estimates of caseload and expenditure take-up respectively, for FC overall and for two family types: couples with children and lone parents. The ranges presented in these tables are 95% confidence intervals – they do not include allowances for potential bias in the FRS data as the range estimates for the other benefits do. The six monthly nature of the benefit makes reliable assessment of the extent of any bias very difficult.

Readers will notice that components do not always sum to totals in the tables. This is because 95% confidence intervals have been calculated separately for components and totals.

Technical note on the results in this chapter

Family Credit is awarded for a period of six months irrespective of any changes in benefit unit income during the period. This means that some recipients, entitled when they claimed, several weeks or months earlier, would not be entitled if assessed afresh today. To compare estimates of recipients including those not currently entitled with the usual estimates of numbers of ENRs would not be comparing like with like; it would bias the take-up estimates upwards. To correct for this bias we could either adjust the recipient count or the ENR count to make the two figures comparable. In fact, the ENR count (for caseload take-up) and total amount unclaimed (for expenditure take-up) have been scaled up to include an estimate of the number of people who, in a given month, would have been entitled to Family Credit because of their circumstances in some previous month. For more details on this adjustment see Chapter 6.

Statistics for 'Singles' have not been split by gender because the resulting small sample sizes for male lone parents do not allow the calculation of statistically robust estimates.

Results

Table 5.1: Caseload Take-up by Family Type

	Year	Singles	Couples	All
				<i>(Thousands)</i>
Number of Recipients	1997/98	330	330	660
	1998/99	360	310	670
Entitled Non Recipients	1997/98	80 : 110	190 : 220	280 : 330
	1998/99	70 : 100	210 : 250	280 : 340
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	74 : 80	59 : 64	67 : 70
	1998/99	78 : 84	55 : 60	66 : 70

Table 5.2: Expenditure Take-up by Family Type

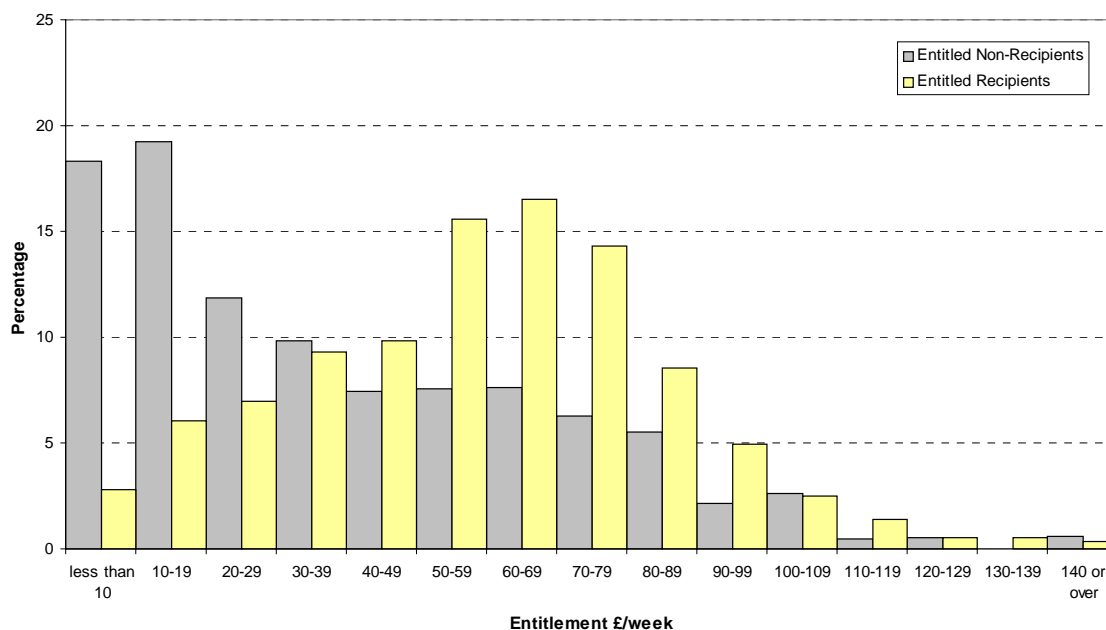
	Year	Singles	Couples	All
				<i>(Pounds)</i>
Average Weekly Amount Claimed	1997/98	58.7	55.3	57.0
	1998/99	59.9	56.5	58.3
Average Weekly Amount Unclaimed	1997/98	36.5	32.6	33.9
	1998/99	36.2	40.2	39.1
Median Weekly Amount Unclaimed	1997/98	34.7	28.1	30.1
	1998/99	29.7	30.4	30.4
				<i>(Millions of Pounds)</i>
Total amount Claimed	1997/98	1,000	950	1,950
	1998/99	1,110	910	2,020
Total Range Unclaimed	1997/98	140 : 250	270 : 430	450 : 630
	1998/99	110 : 220	390 : 590	520 : 760
				<i>(Percentages)</i>
Take-Up Ranges	1997/98	80 : 88	69 : 78	75 : 81
	1998/99	84 : 91	61 : 70	73 : 79

Tables 5.1 and 5.2 show that there is some evidence to indicate a slight decrease in take-up for couples with children between 1997/98 and 1998/99 when measured by either caseload or expenditure. There is also evidence to suggest a slight increase in take-up for lone parents between 1997/98 and 1998/99 when measured by either caseload or expenditure. However, in both instances it is difficult to be certain. In common with other income-related benefits, take-up of FC is lower for couples with children than for lone parents when measured by either caseload or expenditure.

Further analysis of those entitled but not claiming their Family Credit

As with other benefits, entitled non-recipients (ENRs) tend to be entitled to lower amounts than entitled recipients. This is shown in the difference between average amounts claimed and unclaimed (Table 5.2) and in Graph 5.1.

Graph 5.1: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Family Credit



Analysis of tenure type also reveals a difference between ENRs and Recipients. Table 5.3 compares tenure arrangements for ENRs and entitled recipients. The table shows that a greater proportion of ENRs are owner occupiers than entitled recipients and a greater proportion of entitled recipients are Local Authority Tenants than ENRs.

Table 5.3: Percentage of Entitled Non-Recipients and Entitled Recipients by tenure type

		Owner Occupiers	Private Tenants	LA Tenants
		<i>(Percentages)</i>		
Single	Entitled Recipients	30	28	43
	Entitled Non-Recipients	46	22	32
Couples	Entitled Recipients	34	25	41
	Entitled Non-Recipients	60	17	23
		<i>(Percentages)</i>		
Total	Entitled Recipients	32	26	42
	Entitled Non-Recipients	56	18	25

Chapter 6: Methods and Data Sources

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

Caseload:

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

Expenditure:

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

The take-up estimates for Housing Benefit, Council Tax Benefit, Income Support and Jobseeker's Allowance (Income Based) are presented as ranges and are calculated in two stages. First, the baseline estimates are obtained from a combination of administrative data and Family Resources Survey (FRS) data. Secondly, an assessment of the biases in these estimates are made, using various sources of information, in order to arrive at the ranges within which true take-up is estimated to lie. Family Credit presents special problems. The formulae used to calculate baseline take-up estimates are different to those used for the other four benefits and it is not possible to go on to produce error ranges. Readers will notice from Chapter 5 that Family Credit take-up estimates are presented as ranges. These ranges have not been produced following an assessment of the extent of any bias in the data. Instead they represent a 95% confidence interval which takes account of the potential effects of sampling variation. As a result it is possible that the Family Credit ranges could be significantly biased upwards or downwards.

The Baseline Estimates

The DSS administrative records contain information on recipients (Rs) of income-related benefits, and analysis of the FRS produces information on entitled non-recipients (ENRs). Using the definition of caseload take-up given above, for each benefit except Family Credit, gives a simple formula for baseline take-up:

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

where subscripts refer to the data source.

The formula for baseline expenditure take-up for benefits other than Family Credit is as follows:

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

with $\pounds R$ and $\pounds ENR$ being the average weekly amounts received by recipients and unclaimed by entitled non-recipients.

Family Credit

Family Credit is awarded for a period of six months irrespective of any changes in benefit unit income during the period. A recipient of the other income-related benefits in this publication should cease to get benefit as soon as they become ineligible; but when a recipient of Family Credit becomes ineligible they still continue to receive benefit for the remainder of the 6 month award period. To put this another way, a claimant may be not "currently entitled" to Family Credit because their current income or hours of work debar them and yet may be a possible current recipient because they were entitled to Family Credit at some time in the last 6 months. Consequently the take-up formula for Family Credit is less straightforward than for the other benefits.

Family Credit take-up can be defined in terms of the following four statuses:

	Currently entitled to Family Credit	Not currently entitled to Family Credit but were in last 6 months
Currently receiving Family Credit	E_cR	$E_{L6}R$
Not currently receiving Family Credit	E_cNR	$E_{L6}NR$

Family Credit take-up can be therefore expressed as:

$$\frac{(E_cR + E_{L6}R)}{(E_cR + E_{L6}R) + (E_cNR + E_{L6}NR)} \times 100 \%$$

However $E_{L6}NR$, the number of cases who are not currently entitled to Family Credit but who were entitled in the last 6 months, cannot be directly estimated from FRS or administrative data.

To overcome this it is assumed that the percentage of the total number of **entitled non-recipients** who are currently entitled is the same as the percentage of **total recipients** currently entitled i.e.:

$$\frac{E_cR}{E_cR + E_{L6}R} = \frac{E_cNR}{E_cNR + E_{L6}NR}$$

and we estimate:

$$\frac{E_cR}{E_cR + E_{L6}R} \quad \text{by } \%r$$

The %r statistic is the percentage of recipients of Family Credit who, on average over the 6 months, would have been entitled to Family Credit if assessed on any day within the 6 months. The value of %r for Family Credit take-up is estimated by averaging the percentage of Family Credit recipients who were entitled at the beginning of the six month period, and the percentage who were entitled at the end of the six months. Assuming that all those who received Family Credit were entitled to it at the start of their award, the former figure is 100%. The latter figure is estimated by assuming it to equal the "renewal rate", that is the percentage of people awarded Family Credit who go on to receive a further six monthly award immediately after their previous six months of Family Credit has ended.

This renewal rate is obtained directly from administrative data: in 1998/99 it was 65% for couples and 72% for singles. Thus %r is estimated to be 83% for couples (100% + 65%)/2 and 86% for singles. The number of ENR couples estimated from the FRS is inflated by multiplying by 100/83. Similarly, the number of ENR singles is inflated by 100/86. The inflated count represents both people entitled at the time of their FRS interview and people who would have been entitled at some point in the previous six months.

Using %r, the caseload take-up formula is simplified to become:

$$\frac{R}{R + (E_cNR / \%r)} \times 100 \%$$

Similarly the **expenditure take-up** formula is:

$$\frac{R \times AR}{(R \times AR) + (E_cNR / \%r \times AE_cNR)} \times 100 \%$$

where

AR = average amount claimed by Family Credit recipients

AE_cNR = average Family Credit entitlement of currently entitled non-recipients

Calculation of Error Ranges

For Family Credit, a 95% confidence interval is calculated around the baseline estimates and the resulting range estimates are presented as the best available estimates. For the other benefits we attempt to allow for the potential bias in the baseline estimates before applying the 95% confidence intervals. Earlier work 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 Income Support, 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 - again 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 on 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 which 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.

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% to 80%, 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 $(65 \times 20) / [(65 \times 20) + (35 \times 5)]$ to $(80 \times 20) / [(80 \times 20) + (20 \times 5)]$ i.e.: from 88% to 94%.

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 entitled non-recipients. The estimate of 'All' average amount of Income Support unclaimed presented in table 1.2 has been adjusted to reflect the upward bias in the baseline estimate of numbers of pensioner ENRs caused by under-reporting of capital holdings by pensioners responding to the FRS.

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 types. An account of the procedures involved is given in Appendix D of the take-up publication covering the years 1990 and 1991. Some refinements have been introduced since that edition, some drawing on additional information available from the FRS.

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

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 not-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. In the past we have assumed that the incidence of over-estimation of entitlement - people wrongly added to the count of those entitled - equals the incidence of under-estimation (the proportion of truly entitled people falsely regarded as non-entitled). However, in this edition of the publication, 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 practice only the estimates for Council Tax Benefit have been adjusted in this way.

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, for Income Support, Jobseeker's Allowance, Housing Benefit and Council Tax Benefit. 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 CTB, 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.

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. This may lead to under-estimation of take-up (via over-estimation of numbers entitled to but not receiving their benefit); or as 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 can lead to wide ranges of estimated take-up (notably 'Single male pensioners' in Income Support) since the ranges have to cater for both possibilities. For some groups (notably lone parents in Income Support) the FRS yields less of a shortfall and thereby allows the estimation of a narrower range.

Methodological changes introduced since the last edition

Take-up by pensioners

In 1999 the DSS published research report number 100 "Overcoming Barriers: Older People and Income Support". The aims of the study were: to identify the most important barriers to the take-up of Income Support amongst people aged 60 or over; and to identify ways in which take-up amongst entitled non-recipients could be increased. The study encompassed qualitative research - both among pensioners and with representatives of the Benefits Agency, Local Authorities and relevant voluntary organisations - and a quantitative survey of pensioner ENRs.

Participants in the survey were drawn from people interviewed on the FRS between April 1995 and June 1996. Those selected were pensioners whose financial circumstances at the time of their FRS interview suggested that they were ENRs. Since the study was attempting to quantify the attitudes and behavioural characteristics of ENRs, some checks were first made on the sample to see if they were still ENRs. ENRs were asked whether they had capital holdings exceeding £8,000 or not. Those that said they did were ineligible for Income Support and took no further part in the study. The study found that 24% of those classified as ENRs as a result of their original FRS interview were, at the time of re-interview, ineligible for Income Support because of excess capital holdings. This figure far exceeded the assessment of potential bias made using the traditional methods outlined above, so some further adjustments were needed.

The first step was to decide what figure to use for the percentage of pensioner ENRs misreporting capital, since there were a number of reasons why the figure 24% might not be the best. Firstly, the figure 24% was based on a single question, whereas the FRS based estimate of capital holdings is based on a series of detailed questions about individual savings and investments. It is possible that an individual's perceptions of their total capital holdings may differ from what a detailed analysis of their savings and investments might show. This could mean that some pensioners who, in response to the "Overcoming Barriers..." research, said they had more than £8,000 of capital, actually had less than this amount. Secondly, the average time that had elapsed between original FRS interview and "Overcoming Barriers..." interview was 2 and a half years. So some of the 24% may have represented a change in circumstances. A third source of uncertainty in the 24% figure was that the sample of ENRs used in the research might have a different balance of characteristics (age, sex, tenure etc..) when compared to the FRS years being used to produce take-up estimates for this publication. Taking these uncertainties into account and to err on the side of caution, a range estimate of between 20% and 30% was used.

Having decided on a best estimate of the percentage of ENRs failing to report to the FRS capital holdings exceeding £8,000 of between 20% and 30%, the next step was to incorporate this figure into the error analysis framework described above. 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, by an analyst, to be entitled - and to increase the allowance made for this error by a minimum of 20 percentage points and a maximum of 30 percentage points.

The effect of this on the estimates of take-up of Income Support by pensioners was to increase the bottom end of the range estimate of caseload take-up from 63% to 68% and increase the top end from 73% to 81%.

It does not seem likely that the problem of misreporting of capital by pensioners is exclusive to Income Support. It is possible that some of the pensioners who reported that they had more than £8,000 of capital in the "Overcoming Barriers" research may have reported more than £16,000 had they been asked. The problem is that there is no way of quantifying this possibility. Unfortunately 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.

From April 2001 the capital limit for eligibility to the Minimum Income Guarantee¹⁰ will be raised from £8,000 to £12,000 reducing the effect of capital mis-reporting on published take-up estimates.

Changes to Family Credit entitlement modelling

There were two changes to Family Credit entitlement modelling between the last edition and this edition of the publication. The first corrected a mistake in the 1997/98 estimates when previous earnings of unemployed spouses were included as income in the entitlement calculation for couples. This had the effect of under stating entitlement to Family Credit. Correction of the mistake therefore leads to an increase in modelled entitlement for affected cases and leads to some being re-classified as entitled non-recipients. This contributes to the downward revision to take-up for 1997/98.

The second methodological change concerns the criteria by which couples are determined to be full time self-employed and therefore outside the scope of the analysis in this publication. In previous years, if either partner was self-employed for more than 15 hours per week, the couple was classified as self-employed and excluded from the analysis. However in this edition of the publication, only the hours worked by the main earner have been used to exclude cases. This change has had a relatively small effect, but it acts to decrease take-up by excluding fewer entitled non-recipients.

Changes to the modelling of the overlap between JSA and IS

The rules for eligibility to Income Support and Jobseeker's Allowance (Income Based) are very similar and so when we model a benefit unit as entitled to IS, they will usually have an underlying entitlement to JSA (IB) as well. 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 they weren't actively seeking work. By not modelling work the search criteria we leave large numbers of benefit units modelled, initially, as ENRs of both IS and JSA (IB). To classify these benefit units as ENRs of **either IS or JSA (IB)**, we have used a series of rules.

Firstly, DSS administrative data shows that only very small numbers of pensioners and lone parents claim JSA (IB), so we have assumed that all pensioners and lone parents modelled initially as ENRs of both IS and JSA (IB), are classified as ENRs of IS only. Secondly, we classify all carers who are modelled initially as ENRs of both IS and JSA, as ENRs of IS only. Thirdly, the DSS administrative data shows that only very small numbers of people with disabilities claim JSA (IB). 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 only. Remaining cases initially modelled as entitled to both IS and JSA (IB) are classified as ENRs of JSA (IB) only. In the last edition of this publication this last group of ENRs were classified as entitled to IS and not entitled to JSA (IB). This change – which better mirrors what happens in practice - explains the slight upward revision in estimated take-up of IS by non-pensioners without children for 1997/98 (see table 1.1) over the estimate published in the last edition of the publication.

Changes to the modelling of students for JSA

The eligibility of students for income-related benefit is not straightforward to model using the FRS. But in most circumstances, full time students will not be eligible to claim benefit. In the last edition of this publication, students were regarded as attending a full time course if they studied for more than 21 hours per week. In this edition, the definition has been tightened so that students are regarded as full time if they study 16 hours or more per week. Full time students are excluded from the analysis of take-up. So this has the effect of reducing the number of Jobseeker's Allowance (Income Based) entitled non-recipients and increasing take-up. This effect has been partly offset by the increase in JSA (IB) ENRs following the changes to the modelling of the overlap between Income Support and Jobseeker's Allowance (Income Based) mentioned earlier.

¹⁰ The name given to Income Support paid to pensioners.

Changes to asymmetrical A and C error allowances for CTB

Earlier on it was mentioned that where there is evidence of a significant difference in the incidence of under-estimation and over-estimation of entitlement, it is taken into account in the assessment of potential error. In practice there is evidence of such a difference only in the estimates of Council Tax Benefit, so only these have been adjusted. In the last edition of this publication, asymmetrical assumptions about the incidence of under-estimation and over-estimation of entitlement errors were only used in the calculation of range estimates for 'Others' and for 'Owner occupiers'. In this publication, asymmetry assumptions have been used for all family types and tenure types. This has introduced some differences between the previously published estimates for take-up of CTB in 1997/98 and those presented in this edition.

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 1998/99 the FRS interviewed 22,913 households in Great Britain. 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 Report¹¹.

Administrative data

Income Support

The administrative source for data on recipients was the Income Support Quarterly Statistical Enquiry (QSE). This is a quarterly 5% sample taken in May, August, November and February of each year. The QSE is in two parts; the first part covers all cases, the second part is a subset of the first part covering the institutional population. Since the take-up estimates are concerned with the private household population, subtracting the institutional population from the "all cases" caseload count produced quarterly caseload counts for the private household population. The four quarters' data were averaged to produce a caseload for the calendar year.

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

Housing Benefit and Council Tax Benefit

There were two administrative sources for data on recipients: the 1% samples of Housing Benefit and Council Tax Benefit records taken in May of each year and the 100% caseload counts taken in May, August, November and February of each year.

For Housing Benefit, the 1% samples contained detailed information on family type, tenure, level of rent and amount of Housing Benefit received. For Council Tax Benefit, the 1% samples contained detailed information on family type, amount of Council Tax paid and amount of Council Tax Benefit received. The 100% 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 IS' cases. For the 1997/98 estimates, these proportions were taken from the May 1997 1% sample 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). A similar approach was adopted for the 1998/99 estimates.

¹¹ For more information about this publication please visit the following website:
<http://www.dss.gov.uk/publications/dss/2000/frs/index.htm>

For Council Tax Benefit there was insufficient information in either the 1% samples or the 100% quarterly caseload counts to enable us to accurately disaggregate the data needed into tenure types. Data on the number of recipients of Council Tax Benefit were split 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 1% samples.

Jobseeker's Allowance (Income Based)

The administrative source for data on recipients was the Jobseeker's Allowance Quarterly Statistical Enquiry (QSE). This is a quarterly 5% sample taken in May, August, November and February of each year. A small proportion of claimants have entitlement to both contributions and income based Jobseeker's Allowance but actually receive income based Jobseeker's Allowance. Within this publication such cases are counted as income based.

Family Credit

The number of recipients, their renewal rate, their average amount of Family Credit and the number of "pipeline" cases (explained below) are all taken from the Family Credit Enquiry. This is a monthly 5% sample of Family Credit recipients. The sample contains all the necessary information on recipients of the benefit to produce the results in this publication. The indicator used to identify self-employed cases on the Family Credit Enquiry is known to be unreliable. This adds some uncertainty to the estimates of Family Credit recipients used in this publication.

Adjustments

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 circumstances. To achieve the necessary consistency across the data sources, a number of cases had to be removed from the administrative data.

For Income Support, cases in residential care or nursing homes were excluded from the administrative data. Also, asylum seekers, people receiving urgent case payments and those staying in hospital long term (over 6 weeks) were also excluded. Asylum seekers and people receiving urgent case payments were also excluded from the administrative data for Jobseeker's Allowance.

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. 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 Family Credit the self-employed have been excluded directly from the administrative data. Exclusions have been made from the count of recipients and also in the derivation of the renewal rate and the count of the average number of "pipeline" cases. 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.

High eligible rents

A further adjustment was made to 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 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.

Because of the various adjustments to the data sources outlined above and because the counts of numbers receiving benefit and amounts received are taken from statistical enquiries and caseload counts; estimates will differ from those in other published sources.

Grossing Up

The take-up statistics are all based on grossed up data. The grossing system used is designed to make grossed estimates more accurate and reliable. The grossing system 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.

Problems

Back dated claims

When a person claims benefit there is often a delay between the date of claim and the date they receive a decision on their claim. This causes problems when estimating the number of ENRs. If a person says that they are not receiving, say, Housing Benefit at the time of their FRS interview, but we model them as entitled, they are 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 a 'hidden recipient' at the time of the FRS interview, and should not be classified as an ENR.

For Income Support, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance the ranges of take-up take account of these pipeline effects. The FRS asks whether or not they are awaiting the outcome of a claim. We use this information to assess the extent of under-reporting of benefit receipt due to people awaiting the outcome of a claim.

The number of non-recipients who are awaiting the outcome of a claim is taken from the FRS. We then make an assessment about the proportion of these non-recipients who are likely to be successful in their claim. To do this we make use of evidence from the FRS about the proportion who are entitled. These assessments are added to others we make about the under-reporting of benefit receipt.

The existence of pipeline cases tends to depress the estimate of take-up below its true level. By making allowance for pipeline cases we shift the take-up ranges higher.

A more direct adjustment for outstanding claims is made to the count of Family Credit ENRs. The final Family Credit caseload count for a particular month is made five months after the month in question. For example, the initial count for April 1997 caseload would be made in April and the final count in August. The increase in caseload between April and August in respect of the April count represents the pipeline caseload. The average number of pipeline cases has been determined as the average difference between the initial and final count, excluding the self-employed, during the year. The average pipeline caseload was deducted from the count of ENR cases before calculating take-up estimates.

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 January 2nd 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 January 1 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% 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 Environment, Transport and the Regions) and the Family Resources Survey. Average referred rents and average rent reductions, for each type of determination were taken from the Rent Officer Statistics. For Scotland we took the average of referred rents and rent reductions across all government office regions of England and Wales (excluding London and the South East) as proxies.

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) can be restricted by law and these were isolated on the FRS using variables relating to tenure and the date the tenancy began.