
Income Related Benefits Estimates of Take-Up in 2002/2003

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Table of Contents

| | |
|--|-----------|
| <i>Introduction</i> _____ | 3 |
| <i>Summary of Key Results for 2002/2003</i> _____ | 11 |
| <i>Chapter 1: Income Support and Minimum Income Guarantee</i> _____ | 13 |
| <i>Chapter 2: Housing Benefit</i> _____ | 33 |
| <i>Chapter 3: Council Tax Benefit</i> _____ | 45 |
| <i>Chapter 4: Jobseeker's Allowance</i> _____ | 59 |
| <i>Chapter 5: Methods and Data Sources</i> _____ | 69 |
| <i>Appendix: Construction of take-up ranges</i> _____ | 85 |

Introduction

Background

This publication contains information on the take-up of the main income-related benefits in Great Britain in financial year 2002/2003: Income Support, Minimum Income Guarantee, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance. Figures for the financial year 2001/2002 are re-presented in this publication alongside new figures. The last edition covered take-up in 2000/2001 and 2001/2002 and was published in February 2004¹.

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

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

Where sample sizes and data sources allow, take-up statistics have been broken down to enable comparisons by gender. In practice, analysis by gender is possible only for Income Support, Minimum Income Guarantee 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 DWP 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/Minimum Income Guarantee/Jobseeker's Allowance (Income Based).

Care should be taken when interpreting 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. 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.

Based on estimates published in previous reports, patterns in caseload take-up since 1997/1998 are also explored in this edition. 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 2001/2002 and 2002/2003, and between 1997/1998 and 2002/2003 has been included in the text that accompanies the results.

National Statistics Quality Review

In the summer of 2003, DWP launched a National Statistics Quality Review of statistics on the take-up of income-related benefits; aimed at establishing whether the report continues to meet the needs of users. It considered user needs along with priorities for the development of the series. The conclusions of the review will be published in due course and will be fed into the next publication.

¹ *Income Related Benefits Estimates of Take-Up in 2001/2002*, (2004) DWP

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Online Access

This report is also available on the internet free of charge: <http://www.dwp.gov.uk/asd/irb.asp>

Structure of the report

This publication is divided into four main chapters and a technical appendix. Chapters 1 - 4 provide the full results covering the income-related benefits. Each chapter begins with a brief description of the benefit, a guide to the tables presented and any particularly important technical considerations where appropriate. The tabulated results plus commentary is followed by an analysis of the characteristics of those entitled to but not receiving benefits; and the chapter is rounded off with a section on trends in take-up over time. Chapter 5 provides an overview of the methodology (including changes since the last edition) and the data sources used. The Appendix describes in more detail how ranges of true take-up have been calculated in this publication.

As with previous publications, estimates of take-up 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 or Nursing Homes and some other, mostly small, groups. In addition, because the FRS does not contain sufficient information on the incomes of the self-employed to allow reliable assessment of benefit entitlement, the estimates also exclude the full-time self-employed.

A quick guide to the published tables

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

Illustration 1: Understanding tables presenting caseload take-up statistics

Shows the number of recipients of the benefit (in private households) based on DWP administrative sources.

Refer across columns to compare statistics for different family groupings.

Example: An average of one million and sixty thousand benefit units in the family group 'others' were receiving Housing Benefit in 2001/2002.

Caseload Take-up

| | Year | Non Pensioner groups | | | | | All |
|----------------------------------|-----------|----------------------|--------------------|-----------------------|--------------|-----------|-----------|
| | | Pensioners | All Non Pensioners | Couples with Children | Lone Parents | Others | |
| | | (Thousands) | | | | | |
| Number of Recipients | 2001/2002 | 1,640 | 2,180 | 250 | 870 | 1,060 | 3,830 |
| | 2002/2003 | 1,620 | 2,170 | 240 | 870 | 1,070 | 3,790 |
| Range of Entitled Non-Recipients | 2001/2002 | 180 : 340 | 190 : 350 | 30 : 60 | 0 : 40 | 160 : 270 | 390 : 680 |
| | 2002/2003 | 180 : 310 | 230 : 400 | 30 : 60 | 10 : 60 | 190 : 300 | 420 : 700 |
| | | (Percentages) | | | | | |
| Take-Up Ranges | 2001/2002 | 83 : 90 | 86 : 92 | 80 : 90 | 96 : 100 | 80 : 87 | 85 : 91 |
| | 2002/2003 | 84 : 90 | 84 : 90 | 79 : 90 | 93 : 99 | 78 : 85 | 84 : 90 |

Shows estimated take-up percentages.

Shows the number of people estimated to be not claiming benefit they are entitled to based on Family Resources Survey data.

Example: In 2002/2003 between 30,000 and 60,000 'couples with children' were not claiming the Housing Benefit to which they were entitled. This is equivalent to take-up of between 79% and 90%.

Illustration 2: Understanding tables presenting expenditure take-up statistics

Shows the average weekly amount of benefit actually received (by those in private households) based on DWP administrative records.

Averages are used to present a picture of what the 'typical' amount is. Mean (average) amounts unclaimed alone may present a distorted picture of the 'typical' amount where they are pulled up by small numbers of very large values. Presenting the median alongside the mean in this way helps present a more balanced picture of the 'typical' amount unclaimed. These values are based on Family Resources Survey data.

These three groups together represent Non-pensioners.

| | Year | Pensioners | All Non Pensioners | Non Pensioner groups | | | All |
|----------------------------------|-----------|------------|--------------------|-----------------------|--------------|-----------|-------------|
| | | | | Couples with Children | Lone Parents | Others | |
| <i>(Pounds)</i> | | | | | | | |
| Average Weekly Amounts Claimed | 2001/2002 | 45.4 | 51.9 | 52.5 | 55.6 | 48.7 | 49.2 |
| | 2002/2003 | 47.9 | 55.5 | 55.9 | 59.2 | 52.5 | 52.4 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 27.9 | 37.3 | 37.3 | 44.2 | 35.9 | 33.3 |
| | 2002/2003 | 31.8 | 39.3 | 37.9 | 38.2 | 39.9 | 36.5 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 25.6 | 35.3 | 31.5 | 42.9 | 34.5 | 31.3 |
| | 2002/2003 | 30.8 | 35.2 | 25.7 | 32.4 | 36.4 | 34.6 |
| <i>(Millions of Pounds)</i> | | | | | | | |
| Total amount Claimed | 2001/2002 | 3,870 | 5,900 | 680 | 2,520 | 2,700 | 9,790 |
| | 2002/2003 | 4,030 | 6,280 | 690 | 2,680 | 2,920 | 10,320 |
| Total Range Unclaimed | 2001/2002 | 230 : 530 | 350 : 730 | 40 : 140 | 0 : 110 | 270 : 540 | 630 : 1,230 |
| | 2002/2003 | 270 : 550 | 440 : 890 | 40 : 150 | 20 : 150 | 350 : 670 | 760 : 1,400 |
| <i>(Percentages)</i> | | | | | | | |
| Take-Up Ranges | 2001/2002 | 88 : 94 | 89 : 94 | 82 : 94 | 96 : 100 | 83 : 91 | 89 : 94 |
| | 2002/2003 | 88 : 94 | 88 : 93 | 83 : 94 | 95 : 99 | 81 : 89 | 88 : 93 |

Shows estimated take-up percentages.

Shows the total amount of benefit estimated to have been left unclaimed, based on Family Resources Survey data.

Shows the total amount of benefit actually received (by those in private households) over the course of the year based on DWP administrative records.

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/Minimum Income Guarantee or Jobseeker’s Allowance.

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 cohabittees.

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 ‘Highers’ 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 point where half the entitled non-recipients have larger unclaimed amounts and half have smaller.

Modelled as Entitled/modelling entitlement

An assessment of entitlement to each of the income-related benefits is made for each benefit unit on the Family Resources Survey. On the basis of this assessment, benefit units are then classified as Entitled Non-Recipients, 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”.

Over-modelled

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

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.

Under-modelled

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

Symbols and Abbreviations

| | | | |
|------------|----------------------------------|------------------|-----------------------------|
| BU | Benefit unit | .. | Not available |
| ENR | Entitled Non-Recipient | . | Not applicable/Not possible |
| ER | Entitled Recipient | - | Nil or negligible |
| CTB | Council Tax Benefit | 2002/2003 | Financial Year |
| HB | Housing Benefit | FRS | Family Resources Survey |
| IS | Income Support | LA | Local Authority |
| MIG | Minimum Income Guarantee | < | Less than |
| JSA | Jobseeker's Allowance | | |
| SAR | Second Adult Rebate | | |
| DSS | Department of Social Security | | |
| DWP | Department for Work and Pensions | | |

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.

Summary of Key Results for 2002/2003

Income Support (for non-pensioners)

Take-up between 85% and 95% by caseload

Take-up between 91% and 97% by expenditure

Minimum Income Guarantee

Take-up between 63% and 74% by caseload

Take-up between 72% and 83% by expenditure

Housing Benefit

Take-up between 84% and 90% by caseload

Take-up between 88% and 93% by expenditure

Council Tax Benefit

Take-up between 65% and 71% by caseload

Take-up between 68% and 75% by expenditure

Jobseeker's Allowance (Income Based)

Take-up between 55% and 70% by caseload

Take-up between 62% and 76% by expenditure

Chapter 1

Income Support and Minimum Income Guarantee

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. In 2002/2003 it was also not paid to those with capital holdings of £12,000 or more (except those in Residential Care or Nursing Homes for whom the upper limit was £16,000 – these cases are excluded from the analysis).

In April 1999 Minimum Income Guarantee (MIG) was introduced for pensioners paid through Income Support. In April 2002 the applicable amounts were increased by rates greater than increases in the basic state Retirement Pension. The statistics for pensioners that follow have been interpreted with this context in mind.

Men over 60 but under 65 and lone parents could claim either Minimum Income Guarantee/Income Support or Jobseeker's Allowance (IB) in 2002/2003. For those who had an underlying entitlement to both of these benefits we cannot determine which one they might have claimed. In practice we know that the vast majority of these cases would have claimed Minimum Income Guarantee/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 have claimed MIG/IS rather than Jobseeker's Allowance, if they have reported receipt of neither. Minimum Income Guarantee/Income Support could be paid in conjunction with Housing Benefit and Council Tax Benefit but not with Jobseeker's Allowance.

Guide to tables

Estimates of caseload and expenditure take-up are presented for Income Support for non-pensioners with children and non-pensioners without children in Tables 1.1 and 1.2 respectively. Caseload and expenditure statistics for Income Support by different groups of non-pensioners with children are contained in two tables that follow (Tables 1.3 and 1.4); for different groups of non-pensioners without children, Tables 1.5 and 1.6 present the latest figures. Estimates for take-up of Minimum Income Guarantee on each measure are shown in Tables 1.7 and 1.8 by pensioner family type. Take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of bias on the baseline figures². Each range also includes a 95% confidence interval to reflect sampling error. Where ranges are wide, uncertainties as to biases account for the major part.

The statistics presented for Income Support by the groups 'Couples with children' and 'Couples without children' were obtained by combining two years data together. Statistics presented for 2001/2002 are based on

² See Chapter 5 and the Appendix for more details on how the effects of bias are assessed.

analyses of 2000/2001 and 2001/2002 data combined, whilst statistics presented for 2002/2003 are based on analyses of 2001/2002 and 2002/2003 data combined. This was done because sample sizes were too small to produce robust estimates based on a single year's data.

For Income Support by different groups of non-pensioners, estimates of unclaimed amounts should be treated with caution. This is because the sample sizes for estimated entitled non-recipients, on which the figures are based, tend to be small.

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.

Additional tables are presented in the 'Further Analysis' section which give an indication of where entitled non-recipients of Income Support and Minimum Income Guarantee appeared in the household income distribution for Great Britain.

Technical note on the results in this chapter

The presentation of statistics for Minimum Income Guarantee includes a gender breakdown comprising of 'Single male pensioners' and 'Single female pensioners'. Statistics relating to Income Support for non-pensioners without children include a similar breakdown. However estimates 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 results.

The DWP research report No: 197 "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit" 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.

In addition there is evidence to suggest that some pensioner respondents to the Family Resources Survey may not correctly identify which benefits they are receiving, resulting in an increase in the number of apparent entitled non-recipients of Minimum Income Guarantee. An exercise examining such responses revealed a substantial number of 'hidden' Minimum Income Guarantee recipients; the estimates of pensioner take-up for 2002/2003 incorporate the results of this investigation. Previously published estimates for 2001/2002, (re-presented in this chapter), extended results, where possible, from a similar exercise aimed at identifying 'hidden' Minimum Income Guarantee recipients in 2000/2001 survey data.

Further explanation of the above problems, and how they have been addressed in this publication, is provided in Chapter 5.

Results

Table 1.1: Caseload Take-up of Income Support

| | Year | Non-Pensioners with Children | Non-Pensioners without Children | All Non-Pensioners |
|-------------------------------------|-----------|---------------------------------|------------------------------------|-----------------------|
| | | | | <i>(Thousands)</i> |
| Number of Recipients | 2001/2002 | 1,150 | 940 | 2,100 |
| | 2002/2003 | 1,130 | 980 | 2,120 |
| Range of Entitled Non-Recipients | 2001/2002 | 10 : 90 | 110 : 270 | 120 : 350 |
| | 2002/2003 | 20 : 110 | 100 : 270 | 120 : 360 |
| | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 93 : 99 | 78 : 90 | 86 : 95 |
| | 2002/2003 | 91 : 99 | 79 : 91 | 85 : 95 |

Note:

Estimates of the 2001/2002 Range of Entitled Non-Recipients for 'Non-Pensioners without Children' and 'All Non-Pensioners' and the Take-Up Range for 'Non-Pensioners without Children' have been revised due to a refinement in methodology. See Chapter 5 for more details.

Table 1.2: Expenditure Take-up of Income Support

| | Year | Non-Pensioners with Children | Non-Pensioners without Children | All Non-Pensioners |
|-------------------------------------|-----------|---------------------------------|------------------------------------|-----------------------------|
| | | | | <i>(Pounds)</i> |
| Average Weekly Amounts Claimed | 2001/2002 | 105.3 | 57.7 | 83.9 |
| | 2002/2003 | 111.9 | 59.2 | 87.5 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 67.7 | 34.0 | 44.1 |
| | 2002/2003 | 68.7 | 37.2 | 47.2 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 63.5 | 20.7 | 34.0 |
| | 2002/2003 | 74.6 | 30.7 | 40.8 |
| | | | | <i>(Millions of Pounds)</i> |
| Total amount Claimed | 2001/2002 | 6,320 | 2,830 | 9,150 |
| | 2002/2003 | 6,600 | 3,020 | 9,620 |
| Total Range Unclaimed | 2001/2002 | 40 : 350 | 170 : 530 | 250 : 880 |
| | 2002/2003 | 50 : 420 | 170 : 580 | 270 : 970 |
| | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 95 : 99 | 84 : 94 | 91 : 97 |
| | 2002/2003 | 94 : 99 | 84 : 95 | 91 : 97 |

Note:

Estimates of the 2001/2002 Total Range Unclaimed and the Take-Up Range for 'Non-Pensioners without Children' and 'All Non-Pensioners' have been revised due to a refinement in methodology. See Chapter 5 for more details. Estimates of Average & Median Weekly Amounts Unclaimed are volatile. Comparisons between years and with estimates for other benefits should be treated with caution.

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

There was little evidence of a change in overall take-up of Income Support amongst non-pensioners between 2001/2002 and 2002/2003, for either caseload or expenditure measures.

Table 1.3: Caseload Take-up of Income Support by Non-Pensioners with Children

| | Year | Couples with Children | Lone Parents |
|----------------------------------|-----------|-----------------------|---------------|
| | | | (Thousands) |
| Number of Recipients | 2001/2002 | 180 | 980 |
| | 2002/2003 | 180 | 960 |
| Range of Entitled Non-Recipients | 2001/2002 | 10 : 30 | 0 : 60 |
| | 2002/2003 | 20 : 40 | 0 : 70 |
| | | | (Percentages) |
| Take-Up Ranges | 2001/2002 | 85 : 94 | 94 : 100 |
| | 2002/2003 | 83 : 92 | 93 : 100 |

Note:

Estimates for Couples with Children presented for 2001/2002 are based on combined 2000/2001 and 2001/2002 data.

Estimates for Couples with Children presented for 2002/2003 are based on combined 2001/2002 and 2002/2003 data.

Table 1.4: Expenditure Take-up of Income Support by Non-Pensioners with Children

| | Year | Couples with Children | Lone Parents |
|----------------------------------|-----------|-----------------------|----------------------|
| | | | (Pounds) |
| Average Weekly Amounts Claimed | 2001/2002 | 119.4 | 102.8 |
| | 2002/2003 | 129.0 | 108.7 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 72.0 | 65.6 |
| | 2002/2003 | 76.8 | 65.1 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 43.6 | 65.1 |
| | 2002/2003 | 57.5 | 82.7 |
| | | | (Millions of Pounds) |
| Total amount Claimed | 2001/2002 | 1,100 | 5,220 |
| | 2002/2003 | 1,190 | 5,410 |
| Total Range Unclaimed | 2001/2002 | 30 : 140 | 0 : 260 |
| | 2002/2003 | 50 : 170 | 0 : 290 |
| | | | (Percentages) |
| Take-Up Ranges | 2001/2002 | 89 : 97 | 95 : 100 |
| | 2002/2003 | 88 : 96 | 95 : 100 |

Note:

Estimates for Couples with Children presented for 2001/2002 are based on combined 2000/2001 and 2001/2002 data.

Estimates for Couples with Children presented for 2002/2003 are based on combined 2001/2002 and 2002/2003 data.

Estimates of Average & Median Weekly Amounts Unclaimed for 'Couples with Children' and 'Lone Parents' are volatile.

Comparisons between years and with estimates for other groups should be treated with caution.

The highest level of take-up of Income Support appeared to be by lone parents, though the extent of the biases which may affect the raw data for couples with children makes it difficult to be certain³.

There was some evidence to suggest that take-up amongst couples with children fell slightly between 2000/2001-2001/2002 and 2001/2002-2002/2003, though this was not conclusive. There was no change in take-up for lone parents between 2001/2002 and 2002/2003.

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 caseload take-up reaches 92%, it could also be as low as 83%. Refer to Chapter 5 for more detail on how we calculate our range estimates.

Table 1.5: Caseload Take-up of Income Support by Non-Pensioners without Children

| | Year | Couples | Single Males | Single Females |
|----------------------------------|-----------|---------|--------------|----------------------|
| | | | | <i>(Thousands)</i> |
| Number of Recipients | 2001/2002 | 110 | 460 | 380 |
| | 2002/2003 | 110 | 480 | 390 |
| Range of Entitled Non-Recipients | 2001/2002 | 0 : 20 | 60 : 150 | 40 : 110 |
| | 2002/2003 | 10 : 30 | 50 : 170 | 30 : 90 |
| | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 84 : 96 | 75 : 89 | 77 : 91 |
| | 2002/2003 | 81 : 93 | 73 : 90 | 82 : 93 |

Note:

Estimates for 'Couples' presented for 2001/2002 are based on combined 2000/2001 and 2001/2002 data.

Estimates for 'Couples' presented for 2002/2003 are based on combined 2001/2002 and 2002/2003 data.

Estimates of the 2001/2002 Range of Entitled Non-Recipients for 'Single Males' and 'Single Females'

and the subsequent Take-Up Range have been revised due to a refinement in methodology.

See Chapter 5 for more details.

Table 1.6: Expenditure Take-up of Income Support by Non-Pensioners without Children

| | Year | Couples | Single Males | Single Females |
|----------------------------------|-----------|---------|--------------|-----------------------------|
| | | | | <i>(Pounds)</i> |
| Average Weekly Amounts Claimed | 2001/2002 | 69.7 | 56.0 | 56.2 |
| | 2002/2003 | 72.7 | 57.5 | 57.5 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 49.7 | 31.5 | 33.6 |
| | 2002/2003 | 54.4 | 35.5 | 33.7 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 38.4 | 17.2 | 19.0 |
| | 2002/2003 | 42.8 | 24.4 | 24.0 |
| | | | | <i>(Millions of Pounds)</i> |
| Total amount Claimed | 2001/2002 | 390 | 1,330 | 1,100 |
| | 2002/2003 | 420 | 1,430 | 1,170 |
| Total Range Unclaimed | 2001/2002 | 10 : 70 | 70 : 300 | 50 : 230 |
| | 2002/2003 | 20 : 90 | 80 : 380 | 40 : 180 |
| | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 85 : 98 | 82 : 95 | 82 : 96 |
| | 2002/2003 | 83 : 96 | 79 : 95 | 87 : 97 |

Note:

Estimates for 'Couples' presented for 2001/2002 are based on combined 2000/2001 and 2001/2002 data.

Estimates for 'Couples' presented for 2002/2003 are based on combined 2001/2002 and 2002/2003 data.

Estimates of the 2001/2002 Total Range Unclaimed for 'Single Males' and 'Single Females'

and the subsequent Take-Up Range have been revised due to a refinement in methodology.

See Chapter 5 for more details.

Estimates of Average & Median Weekly Amounts Unclaimed for 'Single Males' are volatile.

Comparisons between years and with estimates for other groups should be treated with caution.

It is not possible to say which childless group had the highest take-up rate of Income Support by either caseload or expenditure measures.

There was little or no clear evidence of a change in take-up of Income Support between 2001/2002 and 2002/2003 by non-pensioners without children.

Table 1.7: Caseload Take-up of Minimum Income Guarantee

| | Year | Pensioner Couples | Single Male Pensioners | Single Female Pensioners | All Pensioners |
|----------------------------------|----------------------|-------------------|------------------------|--------------------------|----------------|
| | <i>(Thousands)</i> | | | | |
| Number of Recipients | 2001/2002 | 280 | 270 | 960 | 1,520 |
| | 2002/2003 | 290 | 300 | 1,010 | 1,600 |
| Range of Entitled Non-Recipients | 2001/2002 | 170 : 260 | 90 : 160 | 310 : 480 | 600 : 870 |
| | 2002/2003 | 130 : 240 | 120 : 200 | 300 : 550 | 570 : 960 |
| | <i>(Percentages)</i> | | | | |
| Take-Up Ranges | 2001/2002 | 52 : 62 | 64 : 75 | 67 : 75 | 63 : 72 |
| | 2002/2003 | 55 : 70 | 60 : 71 | 65 : 77 | 63 : 74 |

Table 1.8: Expenditure Take-up of Minimum Income Guarantee

| | Year | Pensioner Couples | Single Male Pensioners | Single Female Pensioners | All Pensioners |
|----------------------------------|-----------------------------|-------------------|------------------------|--------------------------|----------------|
| | <i>(Pounds)</i> | | | | |
| Average Weekly Amounts Claimed | 2001/2002 | 62.6 | 46.5 | 37.2 | 43.5 |
| | 2002/2003 | 65.6 | 48.4 | 39.8 | 46.1 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 31.9 | 23.9 | 22.2 | 25.1 |
| | 2002/2003 | 36.5 | 29.3 | 23.9 | 28.8 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 20.6 | 15.5 | 16.4 | 17.0 |
| | 2002/2003 | 21.1 | 18.2 | 18.2 | 19.1 |
| | <i>(Millions of Pounds)</i> | | | | |
| Total amount Claimed | 2001/2002 | 900 | 660 | 1,870 | 3,430 |
| | 2002/2003 | 1,000 | 760 | 2,090 | 3,850 |
| Total Range Unclaimed | 2001/2002 | 250 : 490 | 90 : 220 | 340 : 640 | 730 : 1,260 |
| | 2002/2003 | 220 : 510 | 160 : 340 | 350 : 720 | 800 : 1,520 |
| | <i>(Percentages)</i> | | | | |
| Take-Up Ranges | 2001/2002 | 65 : 78 | 75 : 88 | 75 : 85 | 73 : 83 |
| | 2002/2003 | 66 : 82 | 69 : 83 | 74 : 86 | 72 : 83 |

Note:

Estimates of Average and Median Weekly Amounts Unclaimed in 2002/2003 exclude 'hidden recipients' cases, whereas no adjustment can be made to figures for 2001/2002. See Chapter 5 for more details.

Take-up of Minimum Income Guarantee appeared to be lower than take-up of Income Support among non-pensioners. This result stands for both caseload and expenditure measures of take-up.

The amounts of unclaimed Minimum Income Guarantee were, on average, substantially smaller than the amounts of Income Support left unclaimed by non-pensioners.

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 - we cannot be sure whether take-up differed between pensioner family types.

Comparisons between 2001/2002 and 2002/2003, for pensioners, are complicated by the rise in MIG rates, relative to Retirement Pension that occurred in April 2002. These changes increased significantly the number of pensioners entitled to Minimum Income Guarantee. The overall changes reported in Tables 1.7 and 1.8 reflect two factors:

- (a) any changes in take-up, between the two years, among the groups who were entitled to MIG in 2001/2002 and would have been entitled in 2002/2003, even if MIG and Retirement Pension had been uprated by the same percentage; and
- (b) the rate of take-up among those who were entitled in 2002/2003 but would not have been entitled without the increases in MIG rates introduced in April 2002.

Detailed examination of the evidence suggests that, among pensioners who would have been entitled to MIG even without the April 2002 increases, caseload take-up rose – possibly by around 3 percentage points – between 2001/2002 and 2002/2003. This rise in the rate of take-up was confined to single female pensioners, for whom the rise was of possibly 4 percentage points, and to pensioner couples, for whom we cannot be confident of the size of the rise. Among their single male pensioner counterparts, take-up fell slightly.

A lower rate of take-up among those newly entitled to Minimum Income Guarantee tended to reduce the aggregate take-up rate in 2002/2003; there was no clear change in pensioners' aggregate take-up of Minimum Income Guarantee, between 2001/2002 and 2002/2003. There appears to have been a slight rise in aggregate take-up rates for single female pensioners, of perhaps around 2 percentage points and a slight rise, though we cannot be certain, for pensioner couples when the year 2001/2002 is compared with 2002/2003. For single male pensioners, the aggregate take-up rate fell, possibly by around 5 percentage points.

Further analysis of those entitled to but not receiving Income Support or Minimum Income Guarantee

In this section we describe the characteristics of those who were entitled to Income Support or Minimum Income Guarantee but were not receiving it (ENRs). Where possible results relate to those identified as ENRs in our modelling taking account micro-level information indicating potential 'hidden' recipients of Minimum Income Guarantee. In practice, a significant proportion of those appearing to be ENRs will not be true ENRs, and a significant proportion of true ENRs may not be identified in our modelling. Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled to and in receipt of Income Support or Minimum Income Guarantee; and in doing so explore some of the possible causes of non-take-up. For some analyses, data from the 2001/2002 and 2002/2003 Family Resources Survey years have been combined to make results more robust. These analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits – that is, they are based on the data for those who appear to be ENRs but will not all actually be ENRs (for more on this see Chapter 5) - and so they should be treated with some caution.

Amounts unclaimed

Figure 1.1: Percentage of Pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Minimum Income Guarantee

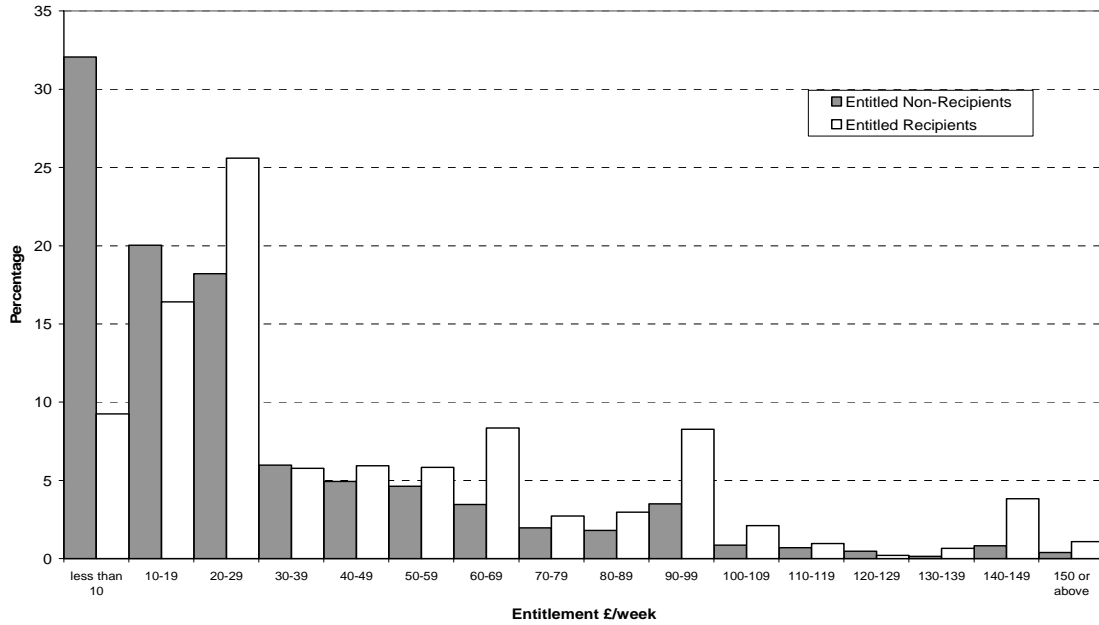


Figure 1.2: Percentage of Non-Pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Support

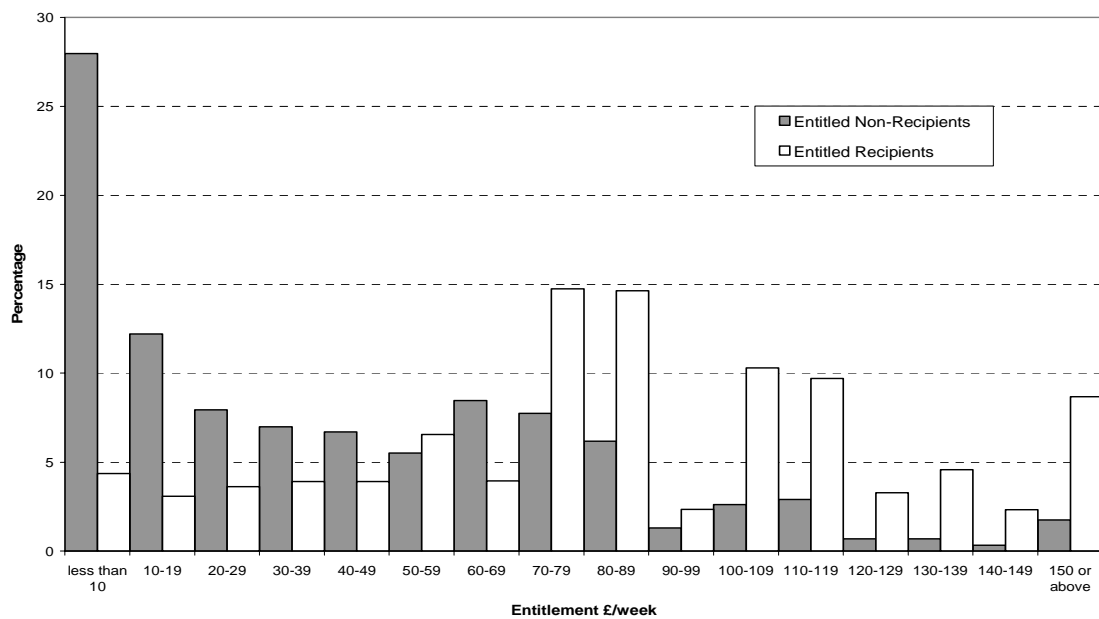


Figure 1.1 and Figure 1.2 show that, on the whole, pensioners/non-pensioners entitled to yet not receiving Minimum Income Guarantee/Income Support tended to be entitled to smaller amounts than their entitled recipient counterparts. The charts also show that the distribution of amounts unclaimed were heavily skewed to

smaller amounts – with about one-third of pensioner ENRs and over one-quarter of non-pensioner ENRs in the ‘less than £10’ per week entitlement band.

One possible reason why people do not take-up benefit is because they regard the amounts they might receive as not worth the effort of claiming. Alternatively, those with less entitlement may be less confident of their entitlement and therefore do not claim. Whatever the reason, 16% of pensioner and non-pensioner ENRs were entitled to less than £5 per week compared with only 2% of entitled recipients; and this pattern of difference holds across pensioner family types and mainly non-pensioner childless families.

Pensioners, who had lower take-up of Minimum Income Guarantee than other groups that took up Income Support, typically had lower entitlement. 32% of pensioner ENRs in 2002/2003 were estimated to have entitlement under £10 per week and 18% under £5 per week.

A follow up study⁴ was commissioned in 2001 of previously interviewed pensioners, who appeared to be ENRs from the FRS. It aimed to identify some of the reasons as to why pensioners did not claim MIG and explored ways in which to encourage claims. Some of the respondent pensioners said they would claim if they only received as little as £2 extra per week. Nearly three-quarters said they would claim if they received an extra £10 per week. 5% of respondent ENRs said they would refuse to claim even if they received an extra £40 per week. This latter finding suggests there may have been a small group of ENRs who were highly resistant to applying for MIG regardless of the amount that they would have received. The same research found that three-tenths of apparent pensioner ENRs had become current recipients of Minimum Income Guarantee since their FRS interview. This suggests that non-receipt may have been a temporary phenomenon for a significant proportion of entitled non-recipients.

Age profile

Pensioner ENRs of Minimum Income Guarantee tended to be slightly older than their entitled recipient counterparts. Overall, 56% of pensioner ENRs were 75 years of age or over compared with 47% of entitled recipients of Minimum Income Guarantee. A greater proportion of single female pensioner ENRs were aged 75 or over than either single males or pensioner couples (66%, 54% and 38% respectively). This pattern is repeated amongst those pensioners who were entitled to and in receipt of Minimum Income Guarantee (57%, 31% and 25% respectively). In contrast, there is no distinct pattern by age amongst non-pensioner ENRs and ERs of income support.

⁴ *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0) For a summary of this report see the following website: <http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf>

Tenure profile

Figure 1.3: Percentage of Pensioner Entitled Non-Recipients and Entitled Recipients of Minimum Income Guarantee by tenure type

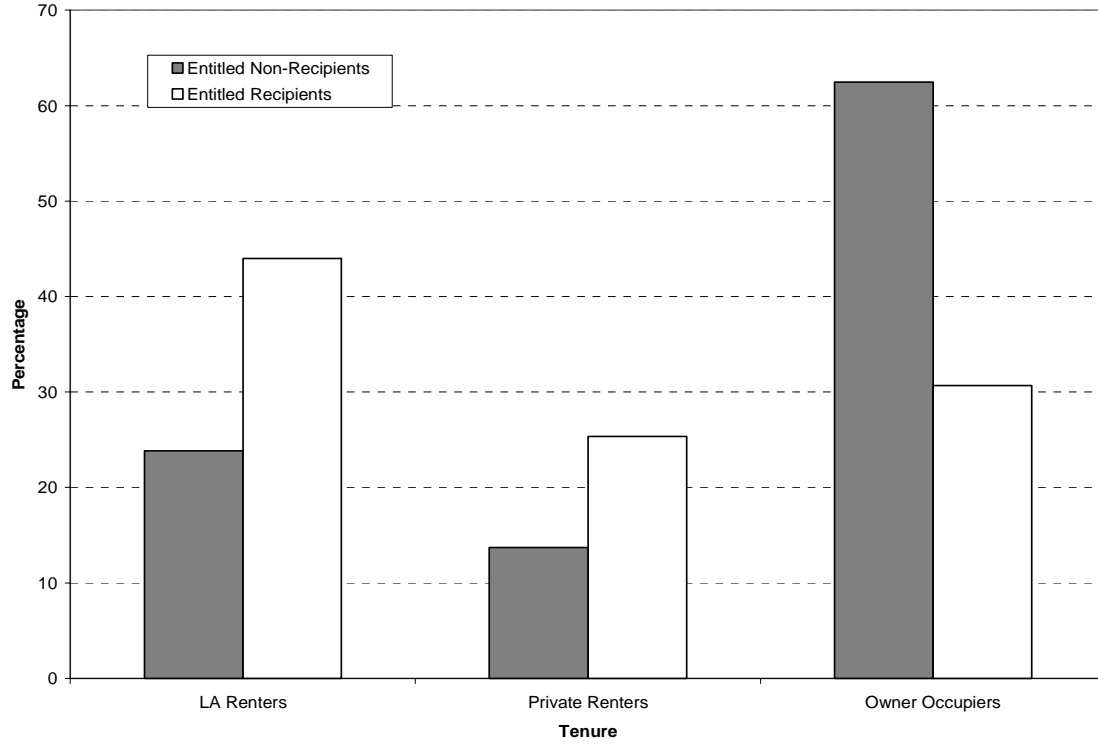


Figure 1.4: Percentage of Non-Pensioner Entitled Non-Recipients and Entitled Recipients of Income Support by tenure type

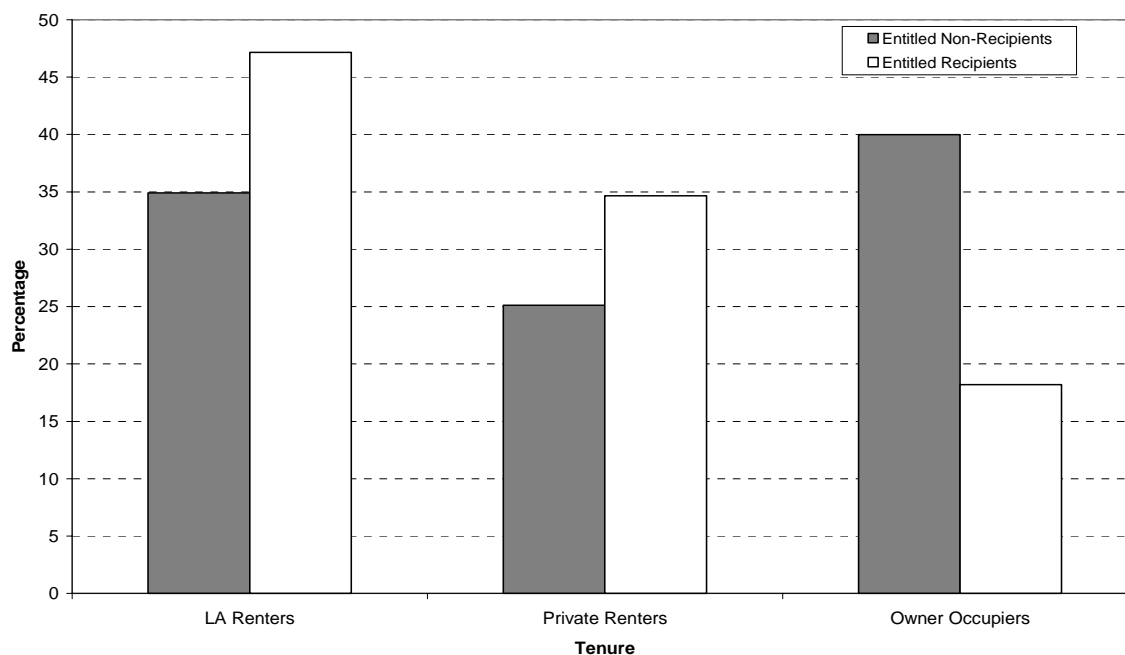


Figure 1.3 shows that about a quarter of ENRs of Minimum Income Guarantee were LA renters compared to 44% of ERs; one in seven pensioner ENRs were private renters compared to 25% of ERs; and over two-fifths of pensioner ENRs were owner-occupiers – twice the figure among entitled recipients. Figure 1.4 shows among non-pensioners a similar pattern in tenure type existed.

Receipt of Attendance Allowance or Disability Living Allowance

Overall, 34% of entitled non-recipients were in receipt of Attendance Allowance or Disability Living Allowance compared with 31% of entitled recipients. Among pensioners, the corresponding figures were 35% of ENRs and 37% 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. 76% of single ENRs had other income (excluding Housing Benefit and Council Tax Benefit) of more than £75 per week compared with only 43% 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 or Minimum Income Guarantee. By looking in more detail at different groupings of single people we find that, for certain groups, the differences between ENRs and ERs appear to be greater than for others. For example, 55% of lone parent ENRs had other income in excess of £75 per week, compared with only 22% of ERs. This compares with 85% and 60% respectively for single male pensioners, 92% and 82% respectively for single female pensioners and 30% and 21% 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.

We get the same result when we look at couples though less significant among pensioner couples, where 40% of ENRs and 35% of entitled recipients had other income exceeding £100 per week. For couples with children and other non-pensioner couples, there was a significant difference between ENRs and entitled recipients, but only when we examine other income exceeding £150 per week. 59% of couples with children ENRs had income over £150 per week compared with 34% of entitled recipients; and 33% of other couple ENRs had income over £150 per week compared with 24% of entitled recipients. This suggests that the existence of significant amounts of other income may dissuade both single and couple ENRs from claiming Income Support or Minimum Income Guarantee.

The previous analysis includes much income that is taken into account when working out entitlement to Income Support or Minimum Income Guarantee, so it focuses on those with smaller entitlements. If we define ‘other income’ as benefit income ignored when entitlement to Income Support or Minimum Income Guarantee is assessed, then we can get some idea whether those ENRs with income on top of Income Support or Minimum Income Guarantee were more or less likely to try and ‘get by’ on the benefit income they already had. For single people, 19% of ENRs and 34% of ERs had other benefit income of more than £75 per week. This suggests that whilst living on other benefit income may have some influence on take-up, it does not appear to have been the main factor for most ENRs. The same conclusion is reached when examining couples: 9% of ENRs and 21% of ERs 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 or Minimum Income Guarantee is that ENRs may share resources with others living in the same household. Overall, 27% of ENRs and 21% of entitled recipients shared their household with other benefit units. Of the ENRs living in households with more than one benefit unit, 71% lived with benefit units with more than £150 per week of gross income. This compares to 62% in the case of entitled recipients living with other benefit units. This suggests that the benefit units living with entitled recipients tended to have less gross income (and therefore resources to share) than their counterparts who lived with ENRs, possibly contributing to their decisions to claim.

Benefit awareness and eligibility

The DWP research exploring barriers to pensioner take-up of MIG found that 57% of the apparent ENRs reported that they were unaware of any benefits paid by the government to people on low incomes. However, when the apparent ENRs were asked specifically if they had heard of Income Support or Minimum Income Guarantee, 85% agreed that they had heard of Income Support, but only 28% said they were aware of MIG. Three-quarters of ENRs of Minimum Income Guarantee agreed that they would be more likely to apply if most pensioners were entitled to claim. Seven out of ten agreed that they would only claim if they knew they were entitled. The research also suggested that the strongest reasons for resistance to claiming MIG were related to fears of appearing in need, losing independence and the belief that respondents could manage on their own resources.

Position of entitled non-recipients in the income distribution

This section provides an analysis of the position of ENRs of Income Support and, separately, ENRs of Minimum Income Guarantee in the household income distribution for Great Britain. Analysis is presented for income both before and after housing costs for 2001/2002 and 2002/2003, and including and excluding those ENRs in receipt of Attendance Allowance (AA) or Disability Living Allowance (DLA). The following tables have been produced by combining the data sets used to produce this publication with the data sets used to produce the ‘Households Below Average Income’ publication. This means we have combined benefit unit based results (take-up statistics) with household equivalised income based results (Households Below Average Income). For some ENRs, their position in the income distribution may have been affected by the incomes of other household members. Small sample sizes for the number of ENRs in each quintile have prevented a more detailed breakdown.

Table 1.9: Position of ENRs of Income Support in the income distribution

| Year / Quintiles | | Income Before Housing Costs (BHC) | | | Income After Housing Costs (AHC) | | |
|---|-----------|-----------------------------------|-----|-------|----------------------------------|-----|-------|
| | | 1 | 2 | 3 - 5 | 1 | 2 | 3 - 5 |
| All non-pensioners | 2001/2002 | 70% | 18% | 12% | 74% | 14% | 12% |
| | 2002/2003 | 71% | 16% | 13% | 76% | 13% | 11% |
| Non-pensioners excluding those in receipt of DLA | 2001/2002 | 74% | 17% | 9% | 77% | 14% | 8% |
| | 2002/2003 | 74% | 14% | 11% | 80% | 10% | 10% |

Quintile 1 represents the bottom twenty per cent of the population with the lowest household incomes, while quintile 5 reflects the top twenty per cent with the highest household incomes.

From Table 1.9, we see that approximately seven in ten non-pensioner ENRs of Income Support were in the bottom quintile of the income distribution in 2002/2003, or just over three-quarters after housing costs are deducted from income.

A slightly larger proportion of non-pensioner ENRs of Income Support were in the bottom quintile of the income distribution when those in receipt of DLA were excluded from the analysis, both before and after housing costs.

Table 1.10: Position of ENRs of Minimum Income Guarantee in the income distribution

| Year / Quintiles | | Income Before Housing Costs (BHC) | | | Income After Housing Costs (AHC) | | |
|--|-----------|-----------------------------------|-----|-------|----------------------------------|-----|-------|
| | | 1 | 2 | 3 - 5 | 1 | 2 | 3 - 5 |
| All Pensioners | 2001/2002 | 65% | 22% | 13% | 63% | 21% | 16% |
| | 2002/2003 | 62% | 22% | 16% | 58% | 25% | 17% |
| Pensioners excluding those in receipt of AA/DLA | 2001/2002 | 74% | 19% | 7% | 73% | 18% | 8% |
| | 2002/2003 | 72% | 17% | 10% | 69% | 22% | 10% |

Table 1.10 shows that around three-fifths of all pensioner ENRs of Minimum Income Guarantee were in the bottom quintile of the income distribution both before and after housing costs in 2002/2003. Around seven in ten pensioner ENRs not in receipt of AA or DLA were in the bottom quintile of the income distribution both before and after housing costs.

The percentage of entitled non-recipients and entitled recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs of Income Support and Minimum Income Guarantee living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. This indicator of low income is used in the following analysis, which as in the previous section combines benefit unit level take-up data sets with household equivalised income results from the

'Households Below Average Income' publication. Again, similar to the previous analysis the position of some ENRs and ERs in the income distribution may have been affected by the incomes of other household members. Figures have been calculated both before housing costs (BHC) and after housing costs (AHC) for 2001/2002 and 2002/2003.

Table 1.11 (overleaf) shows that, in 2002/2003, nearly six-tenths of pensioners that were entitled to but were not receiving Minimum Income Guarantee lived in low-income households on a before housing costs measure. The proportion after housing costs are deducted was just over six-tenths of ENRs. For entitled recipients of the benefit, over one-fifth were in households with low income, BHC; on an AHC basis the proportion was three-tenths.

Table 1.12 (overleaf) shows that, before the deduction of housing costs, over three-fifths of ENRs of Income Support were in households below 60% of median income, in 2002/2003, whereas around two-fifths of entitled recipients to the benefit were in this position. When comparing estimates of ENRs and ERs of Income Support in low-income households after housing costs, the difference is much smaller.

Table 1.11: Percentage of ENRs and ERs of Minimum Income Guarantee below 60 per cent of contemporary median income

| Year/Percentage | | | Before Housing Costs (BHC) | After Housing Costs (AHC) |
|---------------------------------|-------------|-----------|----------------------------|---------------------------|
| Minimum Income Guarantee | ENRs | 2001/2002 | 60% | 67% |
| | | 2002/2003 | 58% | 62% |
| | ERs | 2001/2002 | 24% | 30% |
| | | 2002/2003 | 22% | 30% |

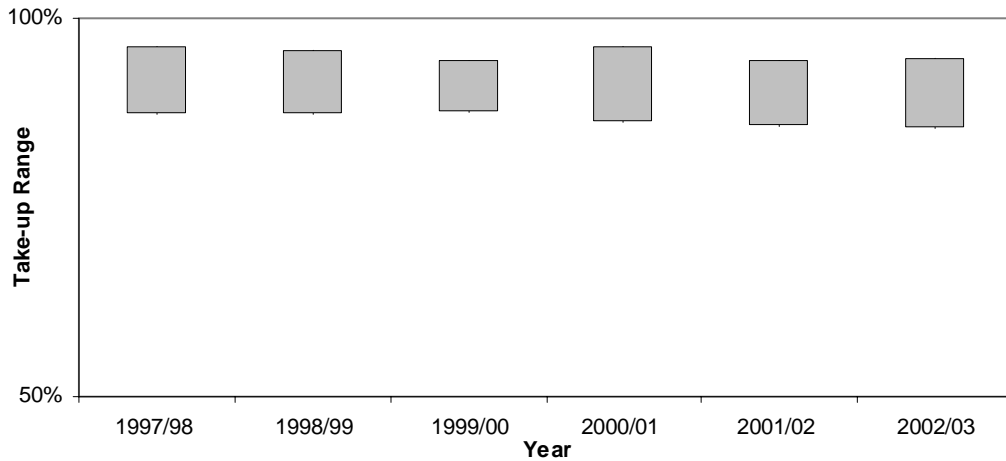
Table 1.12: Percentage of ENRs and ERs of Income Support (non-pensioners) below 60 per cent of contemporary median income

| Year/Percentage | | | Before Housing Costs (BHC) | After Housing Costs (AHC) |
|-----------------------|-------------|-----------|----------------------------|---------------------------|
| Income Support | ENRs | 2001/2002 | 68% | 75% |
| | | 2002/2003 | 63% | 77% |
| | ERs | 2001/2002 | 41% | 70% |
| | | 2002/2003 | 42% | 69% |

Trends in take-up over time

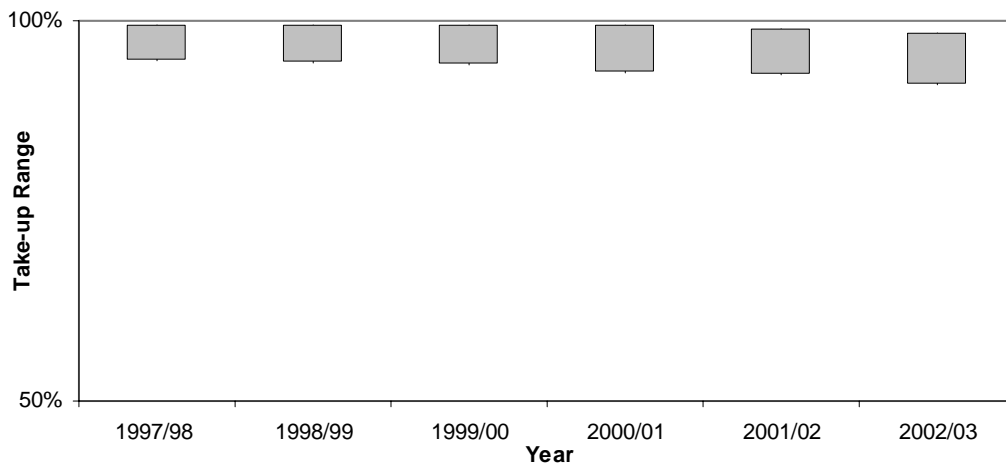
The following section focuses on take-up of Income Support/MIG over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997/1998. Comparing take-up over time is not straight forward. Our estimates of the range within which take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, other than statistics covering the year prior to the latest published results, estimates of take-up have not been recast in light of methodological improvements. The statements made below allow for these complications as best we can.

Figure 1.5: Pattern over time in caseload Take-up of Income Support for Non-pensioners



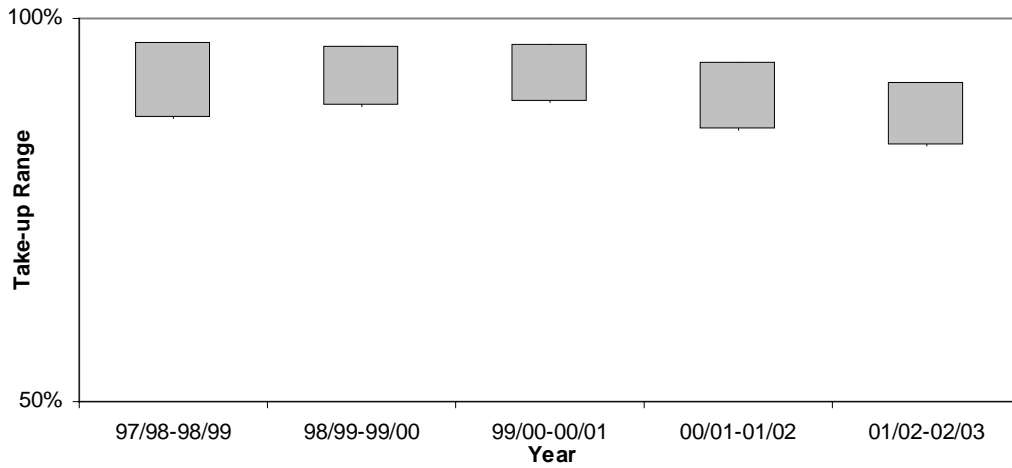
Since 1997/98 there has been no clear change in take-up overall amongst non-pensioners; though there may have been a fall of 1 or 2 percentage points.

Figure 1.6: Pattern over time in caseload Take-up of Income Support for Non-Pensioners with Children



For non-pensioners with children, since 1997/98 there has been little change in take-up. It may have fallen slightly, by 1 or 2 percentage points, though this is by no means certain.

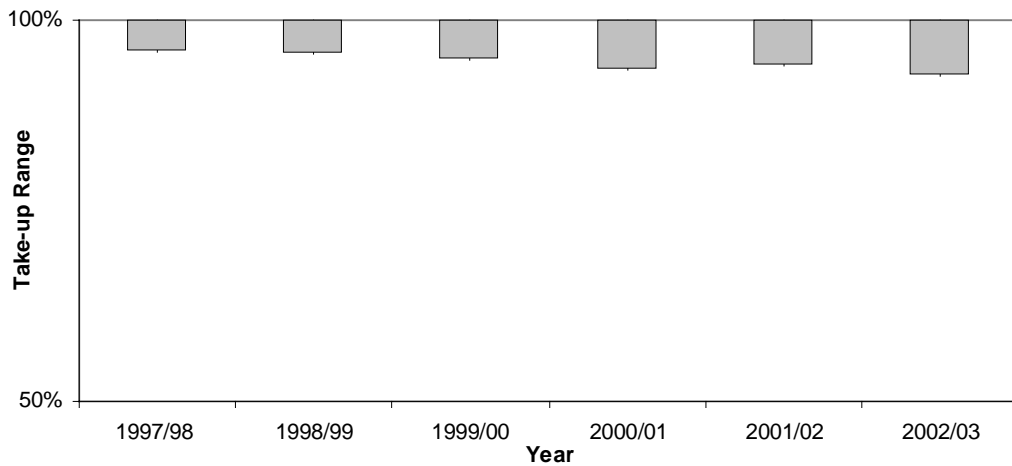
Figure 1.7: Pattern over time in caseload Take-up of Income Support for Couples with Children



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

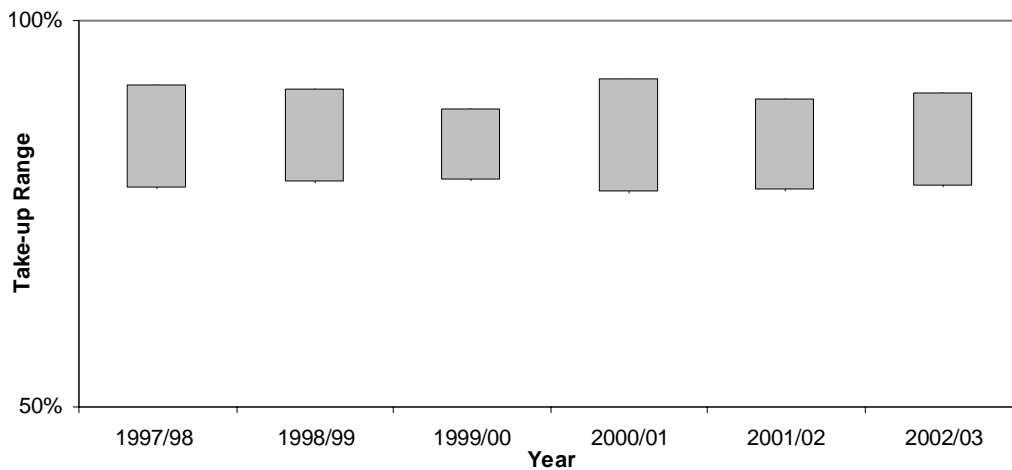
Between 1997/1998-1998/1999 and 2001/2002-2002/2003, there were signs of a reduction in take-up. But sample sizes are small and the evidence is not strong enough to support a clear conclusion.

Figure 1.8: Pattern over time in caseload Take-up of Income Support for Lone Parents



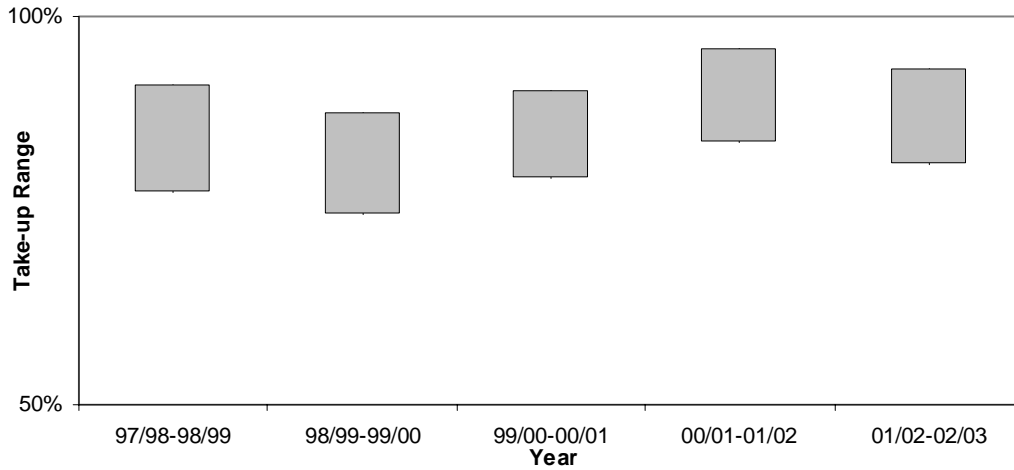
Since 1997/98 there has been no large change in take-up amongst lone parents; it may have fallen slightly, by 1 or 2 percentage points, though this is by no means certain.

Figure 1.9: Pattern over time in caseload Take-up of Income Support for Non-Pensioners with no Children



Since 1997/98 there was no clear change in take-up amongst childless families.

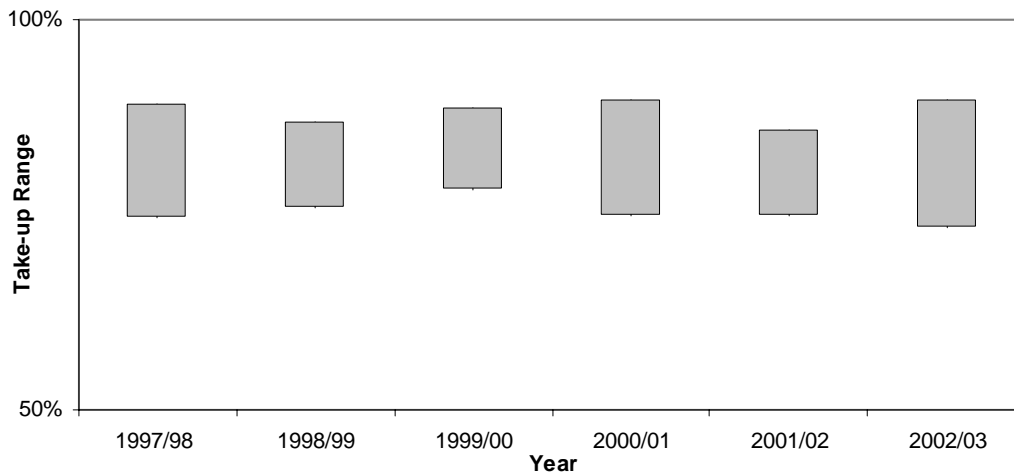
Figure 1.10: Pattern over time in caseload Take-up of Income Support for Couples with no Children



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

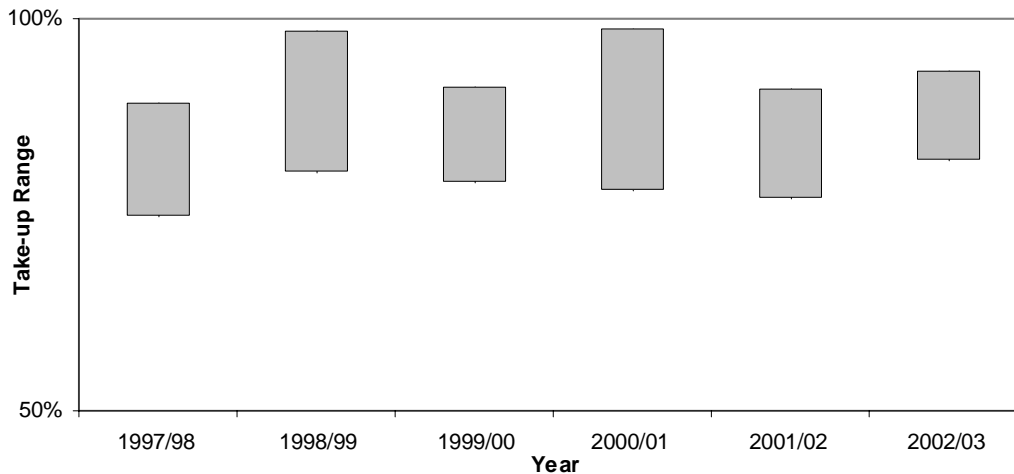
Between 1997/1998-1998/1999 to 2001/2002-2002/2003 there was no clear trend in take-up for childless couples. While there were signs of a rise in take-up after 1998/1999-1999/2000, sample sizes are small and the evidence is not strong enough to support a clear conclusion.

Figure 1.11: Pattern over time in caseload Take-up of Income Support for Single Males (Childless)



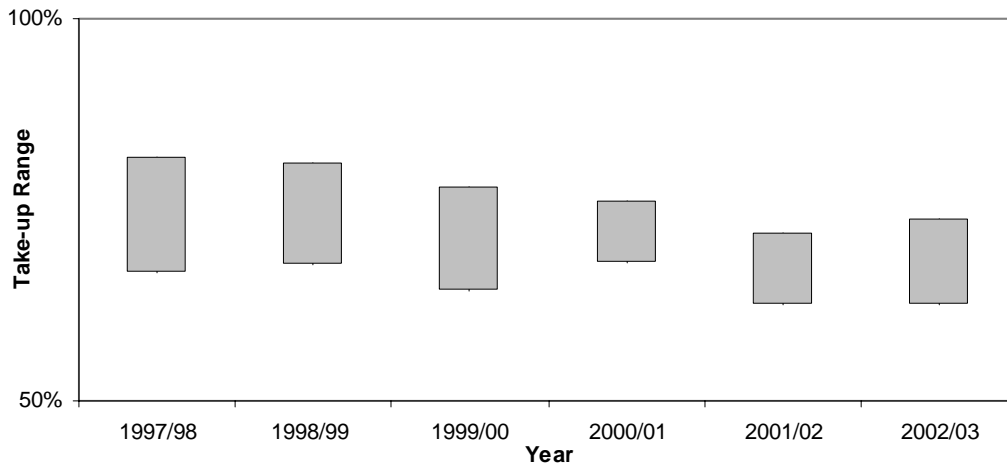
Since 1997/98 there has been little if any change in take-up for this group.

Figure 1.12: Patterns over time in caseload Take-up of Income Support for Single Females (Childless)



Since 1997/98 there has been no trend change in take-up for single females without children.

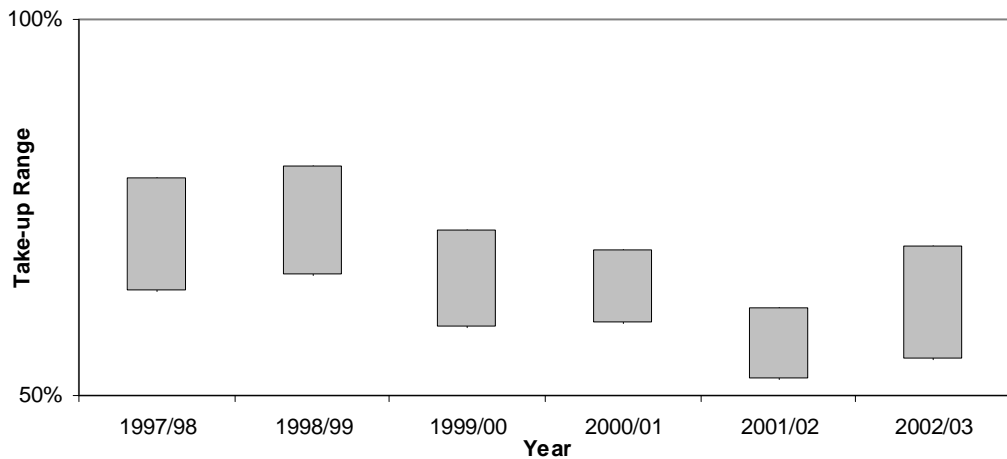
Figure 1.13: Patterns over time in caseload Take-up of Income Support/Minimum Income Guarantee for Pensioners



Note: Minimum Income Guarantee was introduced in April 1999. Estimates for 1997/98 and 1998/99 relate to Income Support for pensioners.

For pensioners overall, evidence of changing biases in the data means that we cannot be certain of a change in take-up between 1997/98 and 2002/03. An analysis of take-up among only those pensioners who would have been entitled even if Income Support/Minimum Income Guarantee applicable amounts had not been increased in real terms, between 1997/98 and 2002/03, suggests take-up rose possibly by around 10 percentage points, among this group.

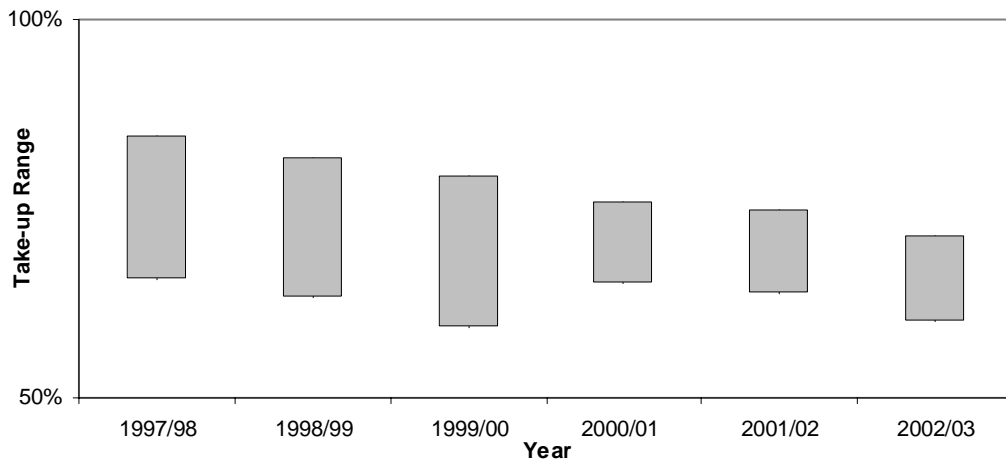
Figure 1.14: Patterns over time in caseload Take-up of Income Support/Minimum Income Guarantee for Pensioner Couples



Note: Minimum Income Guarantee was introduced in April 1999. Estimates for 1997/98 and 1998/99 relate to Income Support for pensioner couples.

Overall, for pensioner couples take-up appears to have fallen, possibly by 5-10 percentage points, between 1997/98 and 2002/03, though we cannot be certain of the size of the change. Among those entitled in 1997/98 and likely to have been entitled in 2002/03, even without the real increases in benefit rates, take-up appeared to have risen by around 6-7 percentage points, though once again this is not conclusive.

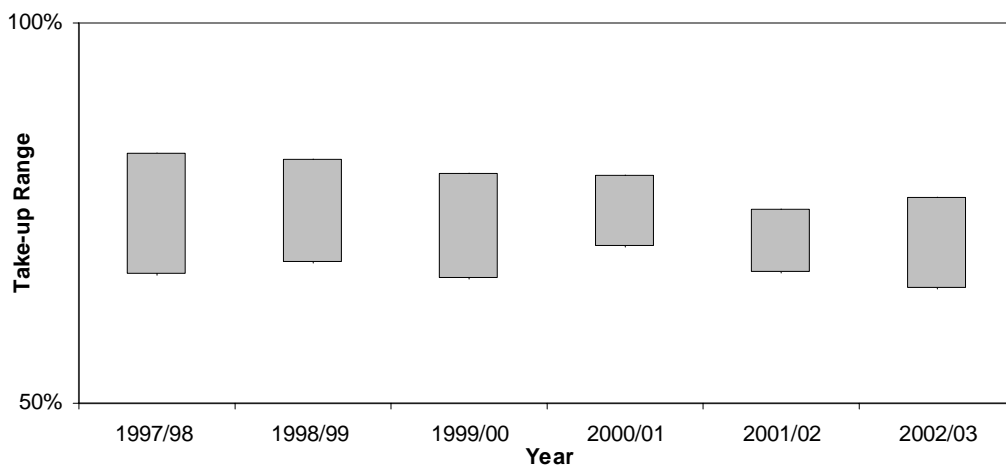
Figure 1.15: Patterns over time in caseload Take-up of Income Support/Minimum Income Guarantee for Single Male Pensioners



Note: Minimum Income Guarantee was introduced in April 1999. Estimates for 1997/98 and 1998/99 relate to Income Support for single male pensioners.

Since 1997/98, among single male pensioners, there appears to have been a fall in take-up of possibly over 5 percentage points, but we cannot be certain as it is difficult to quantify the effect of changes in modelling bias. Among those entitled in 1997/98 and likely to have been entitled in 2002/03, irrespective of any real benefit increases between years, take-up appeared to have risen by 5 percentage points or more; but this not conclusive due to the presence of the same uncertainties in interpreting changes as for the overall group.

Figure 1.16: Patterns over time in caseload Take-up of Income Support/Minimum Income Guarantee for Single Female Pensioners



Note: Minimum Income Guarantee was introduced in April 1999. Estimates for 1997/98 and 1998/99 relate to Income Support for single female pensioners.

Between 1997/98 and 2002/03, there was no clear change in take-up among single female pensioners. Among the subset who were entitled to Income Support in 1997/98 and would have been entitled to MIG in 2002/2003, if Income Support/MIG and Retirement Pension had been uprated by the same percentage, take-up rose; probably by 10 percentage points or more.

Housing Benefit

Housing Benefit (HB) is paid to people on low income who rent their home. It is paid to people who claim the benefit once they have been assessed as being eligible, whether or not the claimant is in full-time work, and may be paid alongside other means tested benefits or on its own. The estimates given exclude the full-time self-employed.

Guide to Tables

Take-up statistics for Housing Benefit are presented in two main sets of tables. The first set, Tables 2.1 and 2.2, present take-up estimates 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 estimates in terms of different tenure arrangements. Note that the tenure type 'Private renters' includes Registered Social Landlords. In common with the other benefits, Housing Benefit take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of quantifiable biases in the baseline figures. Each range also includes a 95% confidence interval to reflect sampling error. Where ranges are wide, uncertainties as to biases account for the major part.

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.

Additional tables are presented in the 'Further Analysis' section, which give an indication of where entitled non-recipients appeared in the household income distribution for Great Britain and the extent to which the group had incomes below 60 per cent of contemporary median income.

Technical note on the results in this chapter

Estimates for take-up amongst pensioners maybe understated due to a potential deficiency, which has not been possible to quantify. It has not proved possible to adjust the estimates for the potential problem of capital misreporting highlighted in the DWP research report “Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit”⁵. See Chapter 5 for further details.

In addition to the deficiencies that may affect estimates of numbers of entitled non-recipients, it is possible that the estimates presented may understate take-up as a result of undercounting recipients. This is because of a suspected undercount in the administrative caseload figures, arising from a number of claims awaiting a final decision. Estimates of take-up, expressed as a percentage rate, may be depressed by up to 1 percentage point for pensioners and lone parents respectively and approximately 2½ percentage points for other groups. For private renters and LA tenants the estimates may be depressed by possibly 1 percentage point.

⁵ *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0) For a summary of this report see the following website: <http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf>

Results

Table 2.1: Caseload Take-up of Housing Benefit by family type

| | Year | Pensioners | All Non Pensioners | Non Pensioner groups | | | All |
|----------------------------------|-----------|------------|--------------------|-----------------------|--------------|-----------|----------------------|
| | | | | Couples with Children | Lone Parents | Others | |
| | | | | | | | <i>(Thousands)</i> |
| Number of Recipients | 2001/2002 | 1,640 | 2,180 | 250 | 870 | 1,060 | 3,830 |
| | 2002/2003 | 1,620 | 2,170 | 240 | 870 | 1,070 | 3,790 |
| Range of Entitled Non-Recipients | 2001/2002 | 180 : 340 | 190 : 350 | 30 : 60 | 0 : 40 | 160 : 270 | 390 : 680 |
| | 2002/2003 | 180 : 310 | 230 : 400 | 30 : 60 | 10 : 60 | 190 : 300 | 420 : 700 |
| | | | | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 83 : 90 | 86 : 92 | 80 : 90 | 96 : 100 | 80 : 87 | 85 : 91 |
| | 2002/2003 | 84 : 90 | 84 : 90 | 79 : 90 | 93 : 99 | 78 : 85 | 84 : 90 |

Note:

2001/2002 estimates for the Range of Entitled Non-Recipients and Take-up Range for 'Others' and the Range of Entitled Non-Recipients for 'All Non-Pensioners' and 'All Total' have been revised due to change in methodology.

See Chapter 5 for more details.

Table 2.2: Expenditure Take-up of Housing Benefit 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 | 2001/2002 | 45.4 | 51.9 | 52.5 | 55.6 | 48.7 | 49.2 |
| | 2002/2003 | 47.9 | 55.5 | 55.9 | 59.2 | 52.5 | 52.4 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 27.9 | 37.3 | 37.3 | 44.2 | 35.9 | 33.3 |
| | 2002/2003 | 31.8 | 39.3 | 37.9 | 38.2 | 39.9 | 36.5 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 25.6 | 35.3 | 31.5 | 42.9 | 34.5 | 31.3 |
| | 2002/2003 | 30.8 | 35.2 | 25.7 | 32.4 | 36.4 | 34.6 |
| | | | | | | | <i>(Millions of Pounds)</i> |
| Total amount Claimed | 2001/2002 | 3,870 | 5,900 | 680 | 2,520 | 2,700 | 9,790 |
| | 2002/2003 | 4,030 | 6,280 | 690 | 2,680 | 2,920 | 10,320 |
| Total Range Unclaimed | 2001/2002 | 230 : 530 | 350 : 730 | 40 : 140 | 0 : 110 | 270 : 540 | 630 : 1,230 |
| | 2002/2003 | 270 : 550 | 440 : 890 | 40 : 150 | 20 : 150 | 350 : 670 | 760 : 1,400 |
| | | | | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 88 : 94 | 89 : 94 | 82 : 94 | 96 : 100 | 83 : 91 | 89 : 94 |
| | 2002/2003 | 88 : 94 | 88 : 93 | 83 : 94 | 95 : 99 | 81 : 89 | 88 : 93 |

Note:

2001/2002 estimates for the Total Range Unclaimed and Take-up Range for 'All Non-Pensioners', the Total Range Unclaimed for 'All' and for 'Others' have been revised due to a change in methodology. See Chapter 5 for more details.

Estimates of Average & Median Weekly Amounts Unclaimed for 'Couples with Children' and 'Lone Parents' are volatile.

Comparisons between years and with estimates for other groups should be treated with caution.

Take-up by lone parents was the highest. It is however, difficult to state whether take-up differed amongst other family types.

Overall changes in take-up of Housing Benefit for pensioners between 2001/2002 and 2002/2003 have been influenced by the rate of take-up amongst those that would have been entitled in both years, and the rate of take-up amongst those that became newly entitled in 2002/2003. Detailed examination of the data suggests that there was no evidence of a significant change in take-up among the former subgroup, which constitutes the majority

of the overall pensioner entitled population. Therefore take-up at an aggregate level appears to have been unchanged.

Take-up showed little or no change for couples with children, lone parents and others between 2001/2002 and 2002/2003.

Overall take-up of Housing Benefit showed little or no change between 2001/2002 and 2002/2003, measured by either caseload or expenditure.

Table 2.3: Caseload Take-up of Housing Benefit by tenure type

| | Year | LA Tenants | Private Renters | All |
|----------------------------------|----------------------|------------|-----------------|-----------|
| | <i>(Thousands)</i> | | | |
| Number of Recipients | 2001/2002 | 2,110 | 1,710 | 3,830 |
| | 2002/2003 | 2,020 | 1,770 | 3,790 |
| Range of Entitled Non-Recipients | 2001/2002 | 140 : 260 | 240 : 430 | 390 : 680 |
| | 2002/2003 | 140 : 260 | 270 : 460 | 420 : 700 |
| | <i>(Percentages)</i> | | | |
| Take-Up Ranges | 2001/2002 | 89 : 94 | 80 : 88 | 85 : 91 |
| | 2002/2003 | 89 : 93 | 79 : 87 | 84 : 90 |

Note:

2001/2002 estimates for the Range of Entitled Non-Recipients and Take-Up Range for 'Private Renters' and the Range of Entitled Non-Recipients for 'All' have been revised due to a change in methodology. See Chapter 5 for more details.

Table 2.4: Expenditure Take-up of Housing Benefit by tenure type

| | Year | LA Tenants | Private Renters | All |
|----------------------------------|-----------------------------|------------|-----------------|-------------|
| | <i>(Pounds)</i> | | | |
| Average Weekly Amounts Claimed | 2001/2002 | 42.7 | 56.9 | 49.2 |
| | 2002/2003 | 44.6 | 60.9 | 52.4 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 25.0 | 38.6 | 33.3 |
| | 2002/2003 | 28.2 | 42.3 | 36.5 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 24.0 | 38.1 | 31.3 |
| | 2002/2003 | 27.8 | 37.1 | 34.6 |
| | <i>(Millions of Pounds)</i> | | | |
| Total amount Claimed | 2001/2002 | 4,690 | 5,070 | 9,790 |
| | 2002/2003 | 4,690 | 5,610 | 10,320 |
| Total Range Unclaimed | 2001/2002 | 160 : 370 | 450 : 920 | 630 : 1,230 |
| | 2002/2003 | 200 : 400 | 550 : 1,080 | 760 : 1,400 |
| | <i>(Percentages)</i> | | | |
| Take-Up Ranges | 2001/2002 | 93 : 97 | 85 : 92 | 89 : 94 |
| | 2002/2003 | 92 : 96 | 84 : 91 | 88 : 93 |

Note:

2001/2002 estimates for the Total Range Unclaimed for 'Private Renters' and 'All' have been revised due to a change in methodology. See Chapter 5 for more details.

Estimates suggest that the LA tenants group had the highest take-up of Housing Benefit by tenure type in terms of both caseload and expenditure. The ranges for private renters were, on the whole, wider than the ranges for

LA tenants. This is due to the greater difficulty faced in determining the direction and extent of biases in the uncorrected estimates for private renters than for LA tenants, so we have to allow for a wider range of possibilities.

Take-up by those in local authority accommodation showed no clear change between 2001/2002 and 2002/2003 when measured by caseload or expenditure. Similarly, there was little or no change in take-up by those in private rented accommodation over the same period.

LA tenants had smaller amounts of unclaimed Housing Benefit compared to private renters, and their average weekly amount claimed was substantially smaller than that of private renters.

In common with the other income-related benefits, amounts of Housing Benefit left unclaimed had a tendency to be smaller than amounts claimed (Table 2.2).

Further analysis of those entitled to but not receiving Housing Benefit

The following results relate to those identified as entitled non-recipients (ENRs) of Housing Benefit in our modelling: in practice, a significant proportion of these may not have been true ENRs, and a significant proportion of true ENRs may not have been identified in our modelling. Where appropriate, we contrast those identified as ENRs with the characteristics of those that were entitled and in receipt of Housing Benefit (ERs) and in doing so explore some of the possible causes of non-take-up. The reader is asked to bear in mind that these analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits (for more on this see Chapter 5) and so they should be treated with some caution.

Overleaf, Figure 2.1 for pensioners and Figure 2.2 for non-pensioners both show the relationship between take-up and size of entitlement to Housing Benefit. Akin to other income-related benefits, those who did not claim Housing Benefit tended to be entitled to smaller amounts than those who did claim. This characteristic can be seen in Tables 2.2 and 2.4 and by reference to Figure 2.1 and Figure 2.2, which both show the percentage of entitled non-recipients and entitled recipients against bands of entitlement to Housing Benefit. One possible explanation for this is that some people may not have considered it worth their while claiming small amounts of benefit.

Figure 2.1: Percentage of Pensioner Entitled Non-Recipients (ENRs) and Entitled Recipients (ERs) by band of entitlement to Housing Benefit

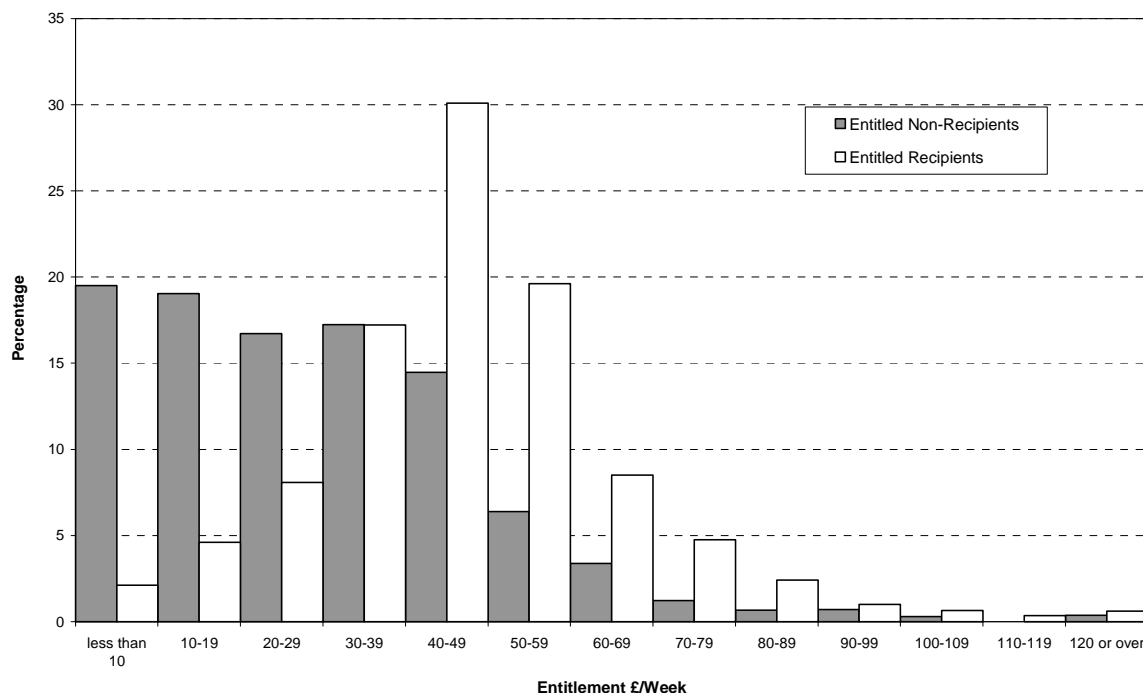
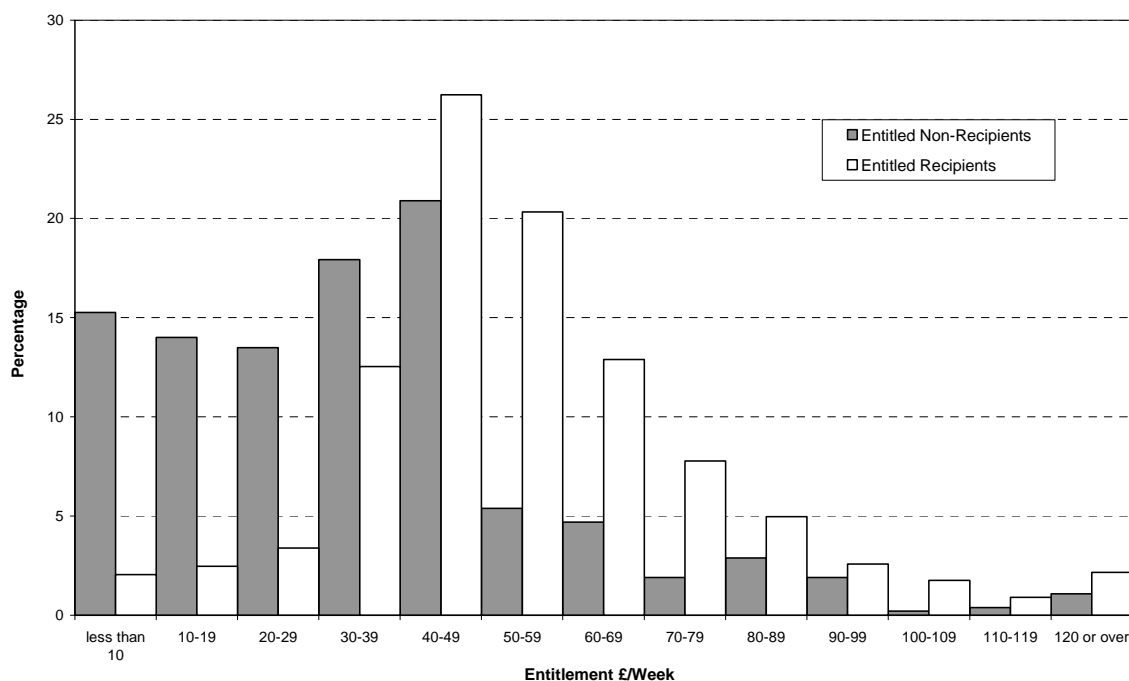


Figure 2.2: Percentage of Non-Pensioner Entitled Non-Recipients (ENRs) and Entitled Recipients (ERs) by band of entitlement to Housing Benefit



Another difference between ENRs and ERs of Housing Benefit was in the percentages that were claiming their entitlement to Council Tax Benefit. For example, 93% of those who claimed Housing Benefit to which they were entitled were also claiming Council Tax Benefit, compared to only 7% of ENRs. Furthermore, 62% of Housing Benefit ENRs were also ENRs of Council Tax Benefit. This is compared to only 3% of entitled recipients of Housing Benefit who were ENRs of Council Tax Benefit.

There is some evidence to suggest that people assume they would not be eligible to claim Housing Benefit once they are working⁶. The lack of awareness of the benefit rules could have prevented some from claiming. Analysis of the FRS lends some support to this notion: 19% of ENRs had at least one adult in full-time work compared to only 2% of entitled recipients. Some of this difference may have been due to those with one adult in full-time work generally having smaller entitlements. However the broad finding holds throughout the range of entitlement to Housing Benefit.

Another possible cause of non-take-up for Housing Benefit is following a change of accommodation, those who are entitled may have yet to claim their entitlement. Of those who were entitled to but not claiming Housing Benefit, around 17% had moved into the property within the last six months. The equivalent percentage amongst entitled recipients of Housing Benefit was 10%. This suggests that the amount of time that someone had spent in a property may have had a bearing on the take-up of Housing Benefit.

The position of entitled non-recipients in the income distribution

This section provides an analysis of the position of pensioner and non-pensioner ENRs in the household income distribution for Great Britain. Analysis is presented for income both before and after housing costs for 2001/2002 and 2002/2003, and including and excluding those pensioner ENRs in receipt of Attendance Allowance (AA) or Disability Living Allowance (DLA), and those non-pensioners in receipt of DLA.

The following tables have been produced, by combining the data sets used to produce this publication with the data sets used to produce the 'Households Below Average Income' publication. This means we have combined benefit unit based results (take-up statistics) with household equivalised income based results (Households Below Average Income). Small sample sizes for the number of ENRs in each quintile have prevented a more detailed breakdown.

Table 2.5: Pensioner ENRs position in the income distribution

| Year /Quintiles | | Income Before Housing Costs (BHC) | | Income After Housing Costs (AHC) | |
|--|-----------|--------------------------------------|-----|-------------------------------------|-----|
| | | 1 | 2-5 | 1 | 2-5 |
| All Pensioner ENRs | 2001/2002 | 65% | 35% | 74% | 26% |
| | 2002/2003 | 61% | 39% | 73% | 27% |
| Pensioner ENRs excluding those in receipt of AA/DLA | 2001/2002 | 69% | 31% | 78% | 22% |
| | 2002/2003 | 65% | 35% | 78% | 22% |

Quintile 1 represents the bottom twenty per cent of the population with the lowest household incomes, while quintile 5 reflects the top twenty per cent with the highest household incomes.

Table 2.5 shows around three-fifths of all pensioner ENRs of Housing Benefit were in the bottom quintile of the income distribution, before housing costs. After housing costs (AHC) the estimate was just below three-quarters. Removing pensioners that were in receipt of AA or DLA raised the proportion of ENRs in the bottom quintile to almost two-thirds, before housing costs and to over three-quarters on an AHC basis.

⁶ *Into work? The impact of housing costs and the benefit system on people's decision to work* (1995) Ford, J., Kempson, E. and England, J. Joseph Rowntree Foundation, York.

Table 2.6: Non-pensioner ENRs position in the income distribution

| Year /Quintiles | | Income Before Housing Costs (BHC) | | Income After Housing Costs (AHC) | |
|---|-----------|-----------------------------------|-----|----------------------------------|-----|
| | | 1 | 2-5 | 1 | 2-5 |
| All non-pensioner ENRs | 2001/2002 | 72% | 28% | 83% | 17% |
| | 2002/2003 | 68% | 32% | 84% | 16% |
| Non-pensioner ENRs excluding those in receipt of DLA | 2001/2002 | 73% | 27% | 84% | 16% |
| | 2002/2003 | 70% | 30% | 86% | 14% |

Table 2.6 shows that just over two-thirds of non-pensioner ENRs were in the bottom quintile of the income distribution in 2002/2003 before housing costs, and a higher proportion after housing costs. The picture is the same after the removal of non-pensioner ENRs in receipt of DLA.

The percentage of entitled non-recipients and entitled recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median being the income below which half the population lie. This indicator of low income is used in the following analysis, which as in the previous section combines benefit unit level take-up data sets with household equivalised income results from the ‘Households Below Average Income’ publication. Figures have been calculated both before housing costs (BHC) and after housing costs (AHC) for 2001/2002 and 2002/2003.

Table 2.7: Percentage of ENRs and ERs below 60 per cent of contemporary median income

| Year/Percentage | | | Before Housing Costs (BHC) | After Housing Costs (AHC) |
|----------------------|-------------|-----------|----------------------------|---------------------------|
| Pensioner | ENRs | 2001/2002 | 56% | 79% |
| | | 2002/2003 | 51% | 75% |
| | ERs | 2001/2002 | 11% | 35% |
| | | 2002/2003 | 10% | 33% |
| Non-pensioner | ENRs | 2001/2002 | 67% | 83% |
| | | 2002/2003 | 63% | 85% |
| | ERs | 2001/2002 | 46% | 76% |
| | | 2002/2003 | 44% | 75% |

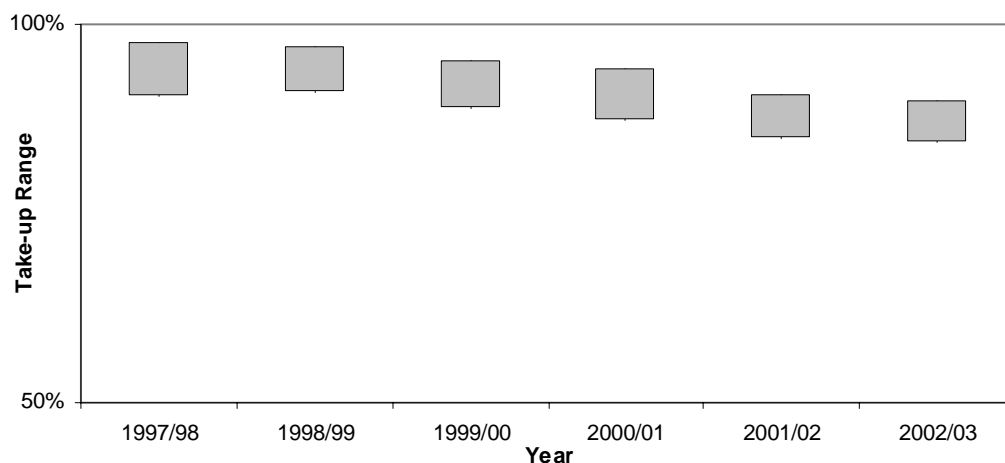
Table 2.7 shows that before the deduction of housing costs over half of all pensioner ENRs lived in households below 60% of median income and that they were around five times more likely than pensioner ERs to be below this threshold. On an AHC basis the proportions of both pensioner ENRs and pensioner ERs that fell below the income threshold were significantly higher.

Estimates for non-pensioners displayed a similar pattern to pensioner figures. Before housing costs, nearly two-thirds of all non-pensioner ENRs were below 60 per cent median income compared to over two-fifths of the respective ER group. Similar to pensioners, estimates on an AHC basis were significantly higher.

Trends in take-up over time

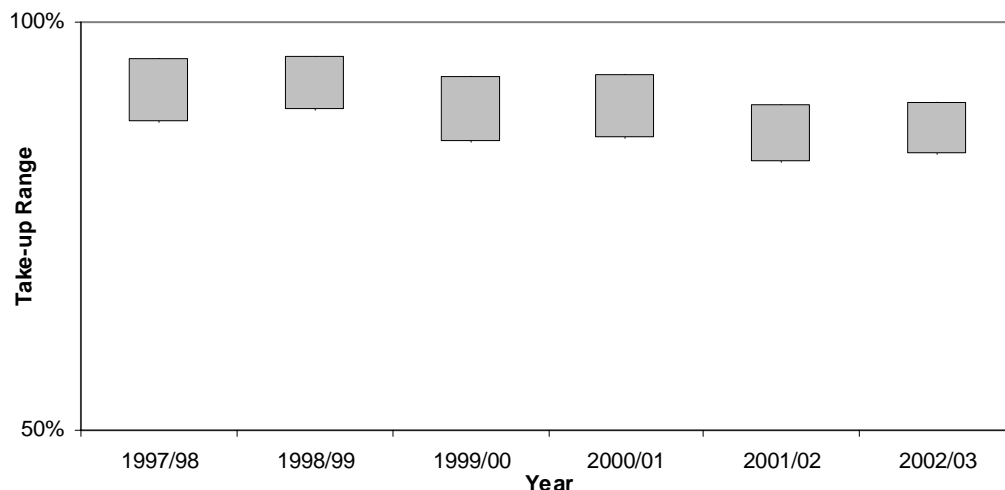
The following section focuses on take-up of Housing Benefit over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997/1998. Comparing take-up over time is not straight forward. Our estimates of the range within take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, other than statistics covering the year prior to the latest published results, estimates of take-up have not been recast in light of methodological improvements. The statements made below allow for these complications as best we can.

Figure 2.3: Pattern over time in caseload Take-up of Housing Benefit



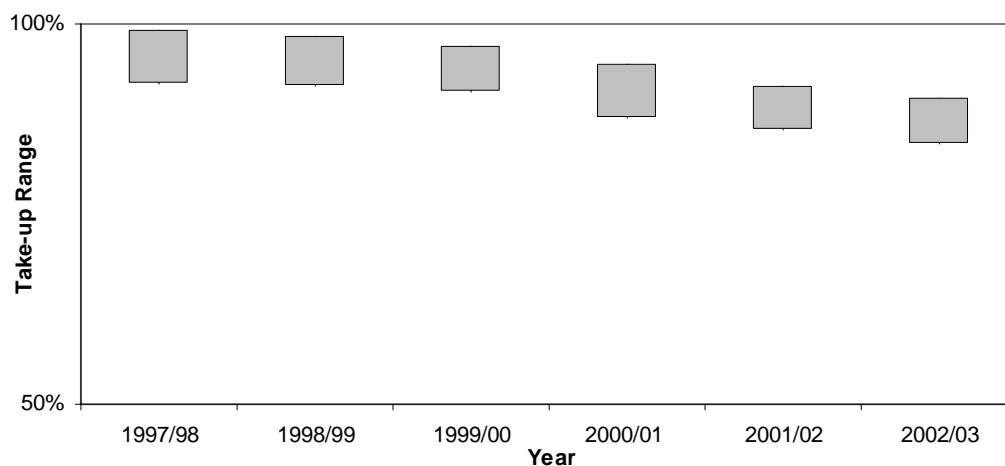
Since 1997/98 overall take-up of Housing Benefit fell significantly. The range figures imply that the fall was of around 7 percentage points. But an examination of possible biases suggests that the true fall may have been 1 or 2 percentage points lower. Around 1 percentage point of the decline may have been attributable to the decreasing proportion of Local Authority tenants; though the transfers of LA stock to RSLs, which underlies some of the change in tenure mix, will not necessarily have changed take-up.

Figure 2.4: Pattern over time in caseload Take-up of Housing Benefit for Pensioners



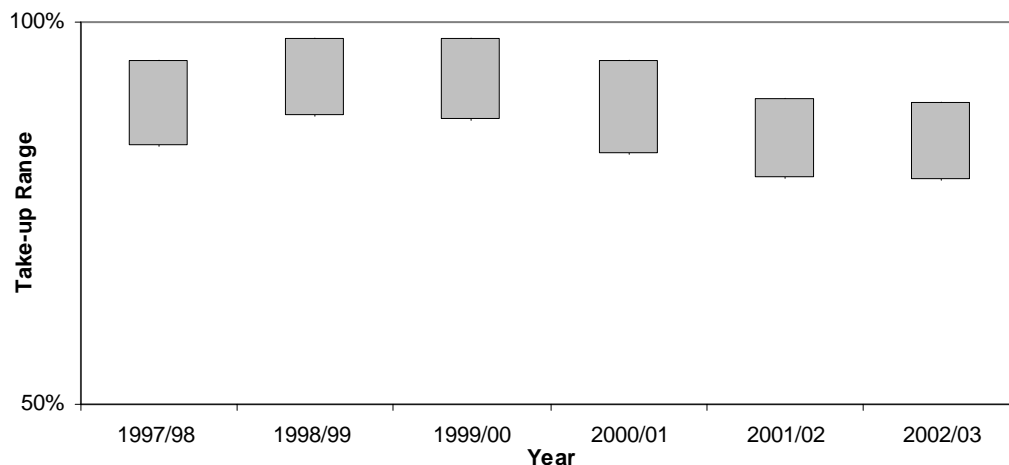
Overall since 1997/98 there has been a fall in take-up of up to 5 percentage points amongst pensioners. An analysis of take-up among only those pensioners who would have been entitled if Housing Benefit applicable amounts had not been increased in real terms, between 1997/98 and 2002/03, suggests that take-up changed little among this group. This implies that the fall in take-up was largely attributable to low take-up among pensioners brought into entitlement by increases in income-related benefits.

Figure 2.5: Pattern over time in caseload Take-up of Housing Benefit for Non-pensioners



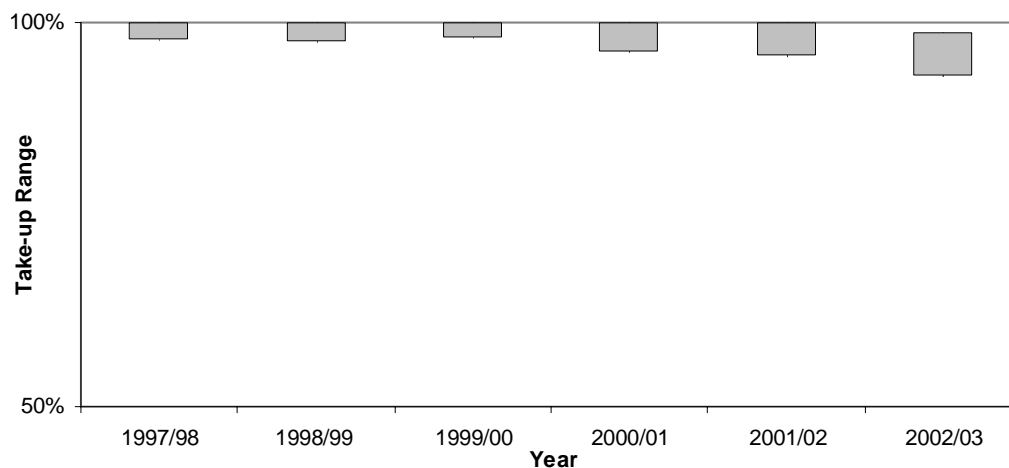
Amongst non-pensioners, take-up fell since 1997/98 by 5-10 percentage points.

Figure 2.6: Pattern over time in caseload Take-up of Housing Benefit for Couples with Children



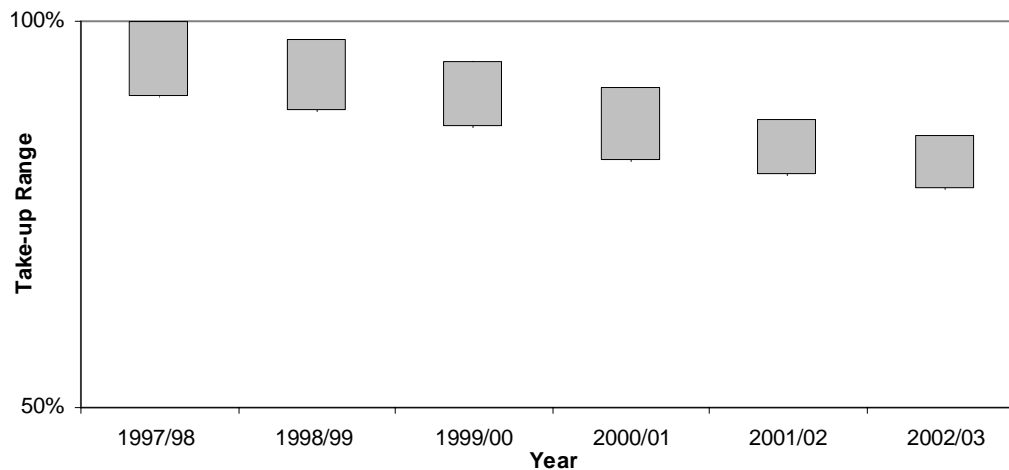
Since 1997/98, there was neither a consistent trend nor a clear change in take-up amongst couples with children.

Figure 2.7: Pattern over time in caseload Take-up of Housing Benefit for Lone Parents



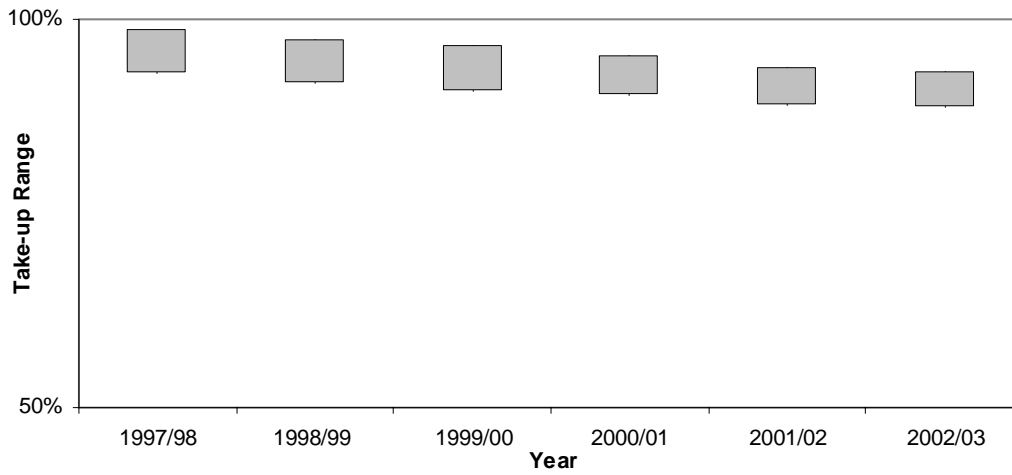
For lone parents the evidence suggests a slight fall in take-up, of around 2-3 percentage points since 1997/98; though the evidence is not conclusive.

Figure 2.8: Pattern over time in caseload Take-up of Housing Benefit for Others



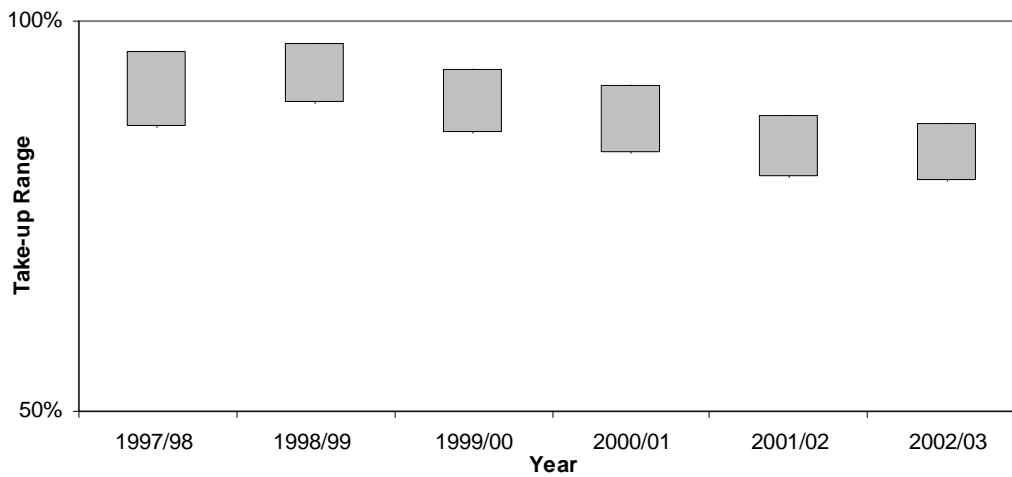
There was a decline in take-up since 1997/98 amongst childless non-pensioner families, of the order of 10 percentage points.

Figure 2.9: Pattern over time in caseload Take-up of Housing Benefit for LA Tenants



Since 1997/98, take-up amongst LA tenants fell, probably by just under 5 percentage points.

Figure 2.10: Pattern over time in caseload Take-up of Housing Benefit for Private Tenants



Since 1997/98 take-up by private renters has fallen, possibly by just over 5 percentage points.

Chapter 3

Council Tax Benefit

Council Tax Benefit (CTB) is available to those with a Council Tax liability via two routes: Main Council Tax Benefit and Second Adult Rebate. Main CTB is paid to anyone on a sufficiently low income; and those on Income Support or Jobseeker's Allowance (IB) are automatically eligible for full main Council Tax Benefit. Second Adult Rebate (SAR) is paid to single adults with a Council Tax liability living with a second adult on a low income. The primary purpose of this chapter is to look at take-up of main Council Tax Benefit although some tentative estimates for SARs are included.

In April 2002, Council Tax Benefit applicable amounts (the amount of income a benefit unit can receive before deductions from benefit are made) for pensioners were increased by more than the basic state Retirement Pension was increased. This had the effect of increasing the number of pensioners entitled to Council Tax Benefit. In addition to this gross council tax bills continued to increase in real terms. This led to an increase in the size of the population entitled to Council Tax Benefit. On the other hand, falling unemployment worked in the opposite direction for non-pensioners. The following statistics should be interpreted with this context in mind.

Guide to tables

Take-up statistics for main Council Tax Benefit are presented in two sets of tables. The first set, Tables 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 estimates in terms of 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. In common with the other benefits, Council Tax Benefit take-up statistics are presented as ranges that reflect the maximum plausible upward and downward effects of quantifiable biases in the baseline figures. Each range also includes a 95% confidence interval to reflect sampling error. Where ranges are wide, uncertainties as to biases account for the major part of the range's width.

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.

Additional tables are presented in the 'Further Analysis' section, which give an indication of where entitled non-recipients appeared in the household income distribution for Great Britain and the extent to which the group had incomes below 60 per cent of contemporary median income.

Technical note on the results in this chapter

DWP statisticians are less confident of the statistics by tenure type than of the statistics by family type. This is because the DWP administrative data contains insufficient information to enable us to analyse receipt of Council Tax Benefit accurately by tenure type. The tenure breakdown of 'Number of Recipients' shown in Table 3.3 was derived by applying the percentage of Council Tax Benefit 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.

Similar to figures for Housing Benefit, it is believed that estimates of the number of Council Tax Benefit recipients are understated because of a backlog of claims waiting to be processed. As a result, estimates of take-up are depressed. However, we are not certain of either the size or the allocation of the administrative caseload undercount by family and tenure type.

It is possible that the take-up rates presented for pensioners may be understated further in these estimates. This is because it has not proved possible to adjust the estimates for the potential problem of capital misreporting highlighted in the DWP research report "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit"⁷. See Chapter 5 for further details.

⁷ *Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit* (2003) McConaghy, M. Hill, C. Kane, C. Lader, D. Costigan, P. and Thornby, M (ISBN 1 84 123 616 0) For a summary of this report see the following website: <http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf>

Results

Table 3.1: Caseload Take-up of Council Tax Benefit by family type

| | Year | Pensioners | All Non Pensioners | Non Pensioner groups | | | All |
|----------------------------------|-----------|---------------|--------------------|-----------------------|--------------|-----------|----------------------|
| | | | | Couples with Children | Lone Parents | Others | |
| | | | | | | | <i>(Thousands)</i> |
| Number of Recipients | 2001/2002 | 2,370 | 2,250 | 290 | 870 | 1,090 | 4,610 |
| | 2002/2003 | 2,350 | 2,230 | 280 | 860 | 1,090 | 4,570 |
| Range of Entitled Non-Recipients | 2001/2002 | 1,410 : 1,760 | 330 : 600 | 80 : 150 | 20 : 90 | 220 : 380 | 1,760 : 2,340 |
| | 2002/2003 | 1,460 : 1,820 | 390 : 640 | 90 : 140 | 20 : 100 | 270 : 420 | 1,870 : 2,440 |
| | | | | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 57 : 63 | 79 : 87 | 66 : 78 | 91 : 98 | 74 : 83 | 66 : 72 |
| | 2002/2003 | 56 : 62 | 78 : 85 | 66 : 76 | 90 : 98 | 72 : 80 | 65 : 71 |

Table 3.2: Expenditure Take-up of Council Tax Benefit 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 | 2001/2002 | 10.0 | 10.4 | 12.3 | 10.4 | 9.9 | 10.2 |
| | 2002/2003 | 10.8 | 11.0 | 13.1 | 11.0 | 10.5 | 10.9 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 8.3 | 9.1 | 9.8 | 9.3 | 9.0 | 8.5 |
| | 2002/2003 | 8.9 | 10.0 | 10.3 | 9.6 | 10.0 | 9.3 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 8.2 | 9.0 | 10.5 | 9.3 | 8.7 | 8.5 |
| | 2002/2003 | 9.0 | 10.2 | 10.7 | 10.2 | 10.1 | 9.4 |
| | | | | | | | <i>(Millions of Pounds)</i> |
| Total amount Claimed | 2001/2002 | 1,230 | 1,210 | 190 | 470 | 560 | 2,450 |
| | 2002/2003 | 1,310 | 1,280 | 190 | 500 | 590 | 2,590 |
| Total Range Unclaimed | 2001/2002 | 590 : 770 | 150 : 290 | 40 : 80 | 10 : 50 | 100 : 180 | 760 : 1,060 |
| | 2002/2003 | 660 : 870 | 200 : 350 | 40 : 80 | 10 : 50 | 130 : 230 | 880 : 1,200 |
| | | | | | | | <i>(Percentages)</i> |
| Take-Up Ranges | 2001/2002 | 61 : 68 | 81 : 89 | 69 : 83 | 91 : 98 | 75 : 85 | 70 : 76 |
| | 2002/2003 | 60 : 67 | 79 : 87 | 69 : 81 | 90 : 98 | 72 : 82 | 68 : 75 |

Take-up of Council Tax Benefit appears to have been lowest amongst pensioners and highest amongst lone parents when analysed by either caseload or expenditure.

Take-up amongst pensioners showed no clear change between 2001/2002 and 2002/2003 when measured by caseload or expenditure.

For couples with children there was little evidence of a clear change in take-up between 2001/2002 and 2002/2003. There was no change in take-up between years for lone parents.

Take-up by 'others' fell slightly between 2001/2002 and 2002/2003.

Overall, the evidence suggests little change in true take-up of Council Tax Benefit between reporting years.

Table 3.3: Caseload Take-up of Council Tax Benefit by tenure type

| | Year | LA Tenants | Private Renters | Owner Occupiers | All |
|----------------------------------|----------------------|------------|-----------------|-----------------|---------------|
| | <i>(Thousands)</i> | | | | |
| Number of Recipients | 2001/2002 | 2,150 | 1,420 | 1,040 | 4,610 |
| | 2002/2003 | 2,160 | 1,380 | 1,040 | 4,570 |
| Range of Entitled Non-Recipients | 2001/2002 | 150 : 300 | 250 : 410 | 1,340 : 1,660 | 1,760 : 2,340 |
| | 2002/2003 | 150 : 290 | 250 : 400 | 1,460 : 1,780 | 1,870 : 2,440 |
| | <i>(Percentages)</i> | | | | |
| Take-Up Ranges | 2001/2002 | 88 : 93 | 78 : 85 | 39 : 44 | 66 : 72 |
| | 2002/2003 | 88 : 94 | 78 : 85 | 37 : 42 | 65 : 71 |

Table 3.4: Expenditure Take-up of Council Tax Benefit by tenure type

| | Year | LA Tenants | Private Renters | Owner Occupiers | All |
|----------------------------------|-----------------------------|------------|-----------------|-----------------|-------------|
| | <i>(Pounds)</i> | | | | |
| Average Weekly Amounts Claimed | 2001/2002 | 10.0 | 10.4 | 10.4 | 10.2 |
| | 2002/2003 | 10.6 | 11.0 | 11.4 | 10.9 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 7.4 | 9.5 | 8.5 | 8.5 |
| | 2002/2003 | 8.0 | 10.2 | 9.3 | 9.3 |
| Median Weekly Amounts Unclaimed | 2001/2002 | 7.8 | 8.8 | 8.5 | 8.5 |
| | 2002/2003 | 8.1 | 10.1 | 9.3 | 9.4 |
| | <i>(Millions of Pounds)</i> | | | | |
| Total amount Claimed | 2001/2002 | 1,120 | 760 | 560 | 2,450 |
| | 2002/2003 | 1,190 | 790 | 610 | 2,590 |
| Total Range Unclaimed | 2001/2002 | 50 : 120 | 120 : 210 | 570 : 760 | 760 : 1,060 |
| | 2002/2003 | 60 : 130 | 130 : 220 | 680 : 880 | 880 : 1,200 |
| | <i>(Percentages)</i> | | | | |
| Take-Up Ranges | 2001/2002 | 90 : 95 | 78 : 87 | 43 : 50 | 70 : 76 |
| | 2002/2003 | 90 : 95 | 78 : 86 | 41 : 47 | 68 : 75 |

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

For 'LA Tenants', there appears to have been little or no change in take-up between 2001/2002 and 2002/2003. There was no change in take-up between years for private renters.

For owner-occupiers, there was evidence of a fall in take-up of 1 or 2 percentage points between 2001/2002 and 2002/2003, though this was not conclusive.

In common with the other income-related benefits, average amounts claimed were higher than average amounts unclaimed (Tables 3.2 and 3.4). However, the difference between amounts claimed and unclaimed were smaller for Council Tax Benefit than for other benefits. This effect fed through into the take-up ranges where we found, on the whole, that there was less difference between caseload and expenditure take-up measures in the case of main Council Tax Benefit than there was for other benefits.

Second Adult Rebates

Table 3.5: Caseload Take-up of SAR

| All Groups | Year | Second Adult Rebate |
|-------------------------|-----------|----------------------|
| | | <i>(Thousands)</i> |
| Number of Recipients | 2001/2002 | 30 |
| | 2002/2003 | 30 |
| Entitled Non-Recipients | 2001/2002 | 230 |
| | 2002/2003 | 290 |
| | | <i>(Percentages)</i> |
| Take-Up | 2001/2002 | 11 |
| | 2002/2003 | 9 |

Table 3.6: Expenditure Take-up of SAR

| All Groups | Year | Second Adult Rebate |
|----------------------------------|-----------|-----------------------------|
| | | <i>(Pounds)</i> |
| Average Weekly Amounts Claimed | 2001/2002 | 2.9 |
| | 2002/2003 | 3.3 |
| Average Weekly Amounts Unclaimed | 2001/2002 | 1.8 |
| | 2002/2003 | 2.0 |
| | | <i>(Millions of Pounds)</i> |
| Total Claimed | 2001/2002 | <10 |
| | 2002/2003 | <10 |
| Total Unclaimed | 2001/2002 | 20 |
| | 2002/2003 | 30 |
| | | <i>(Percentages)</i> |
| Take-Up | 2001/2002 | 17 |
| | 2002/2003 | 14 |

Estimates for Second Adult Rebates are given as point estimates as problems with the survey data make the production of ranges impossible. The figures are based on small sample sizes and must be viewed with extreme caution. There was evidence of a slight fall in take-up between 2001/2002 and 2002/2003.

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

The following results relate to those identified as entitled non-recipients (ENRs) of Main Council Tax Benefit (CTB) in our modelling. (These exclude ENRs of the Second Adult Rebate). In practice, a significant proportion of these modelled may not have been true ENRs, and a significant proportion of true ENRs may not have been identified in our modelling. Where appropriate, we contrast the characteristics of those identified as ENRs with the characteristics of those that were entitled and in receipt (ERs) of main Council Tax Benefit and in doing so explore some of the possible causes of non-take-up. The reader must bear in mind that these analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits (for more on this see Chapter 5) and so they should be treated with some caution.

Figure 3.1 for pensioners and Figure 3.2 (overleaf) for non-pensioners both show the relationship between take-up and size of entitlement to Council Tax Benefit. As with the other income-related benefits, entitled non-recipients of Council Tax Benefit had a tendency to be entitled to lower amounts than entitled recipients. However, the graph also shows that ENRs were more likely than ERs to have entitlement above £15 per week. In addition, analysis of the FRS also revealed that 79% of recipients were entitled to full Council Tax Benefit compared with 40% of ENRs. It should be noted that a far higher proportion of recipients of Council Tax Benefit were on Income Support/Jobseeker’s Allowance, and therefore had entitlement to full CTB automatically, than for ENRs of Council Tax Benefit.

Figure 3.1: Percentage of Pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Council Tax Benefit

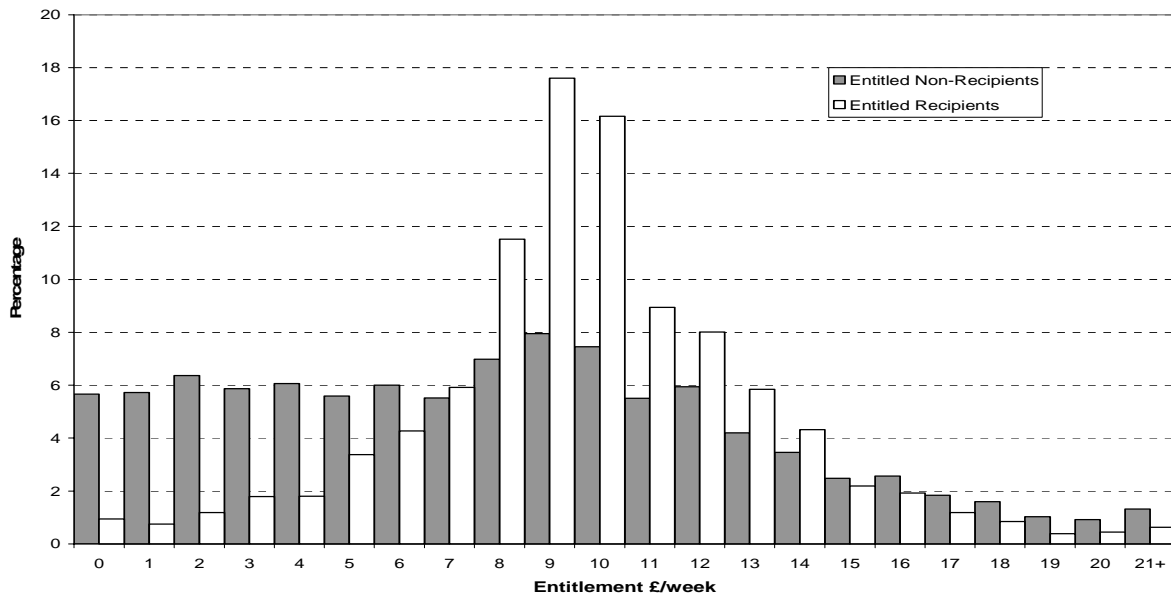
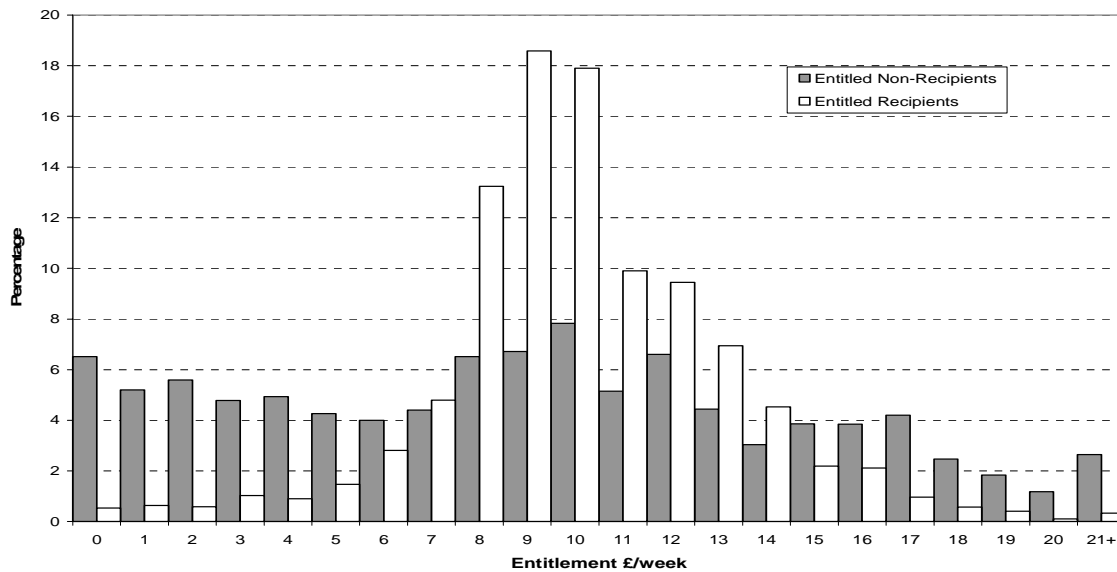


Figure 3.2: Percentage of Non-Pensioner Entitled Non-Recipients and Entitled Recipients by band of entitlement to Council Tax Benefit



Another difference between ENRs and ERs was in the percentages that were claiming their entitlement to Housing Benefit (which is only available to renters) in addition to CTB. Excluding owner-occupiers, we found that 95% of ERs of Council Tax Benefit were receiving Housing Benefit compared to only 16% of ENRs. 61% of ENRs of Council Tax Benefit were also ENRs of Housing Benefit compared to only 2% of entitled Council Tax Benefit recipients.

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 and entitled recipients lived in their current accommodation. The proportion of ERs and ENRs who had moved into a property within the last 6 months were similar, 10% and 13% respectively. This suggests the amount of time that someone had spent in a property was not a major influence on take-up of CTB.

The position of entitled non-recipients in the income distribution

This section provides an analysis of the position of pensioner and non-pensioner ENRs in the household income distribution for Great Britain. Analysis is presented for income both before and after housing costs for 2001/2002 and 2002/2003, and including and excluding those pensioner ENRs in receipt of Attendance Allowance (AA) or Disability Living Allowance (DLA), and those non-pensioners in receipt of DLA.

The following tables have been produced, by combining the data sets used to produce this publication and that of the ‘Households Below Average Income’. This means we have combined benefit unit based results (take-up statistics) with household equivalised income based results (Households Below Average Income). Small sample sizes for the number of ENRs in each quintile have prevented a more detailed breakdown. Quintile 1 represents the bottom twenty per cent of the population with the lowest household incomes, while quintile 5 reflects the top twenty per cent with the highest household incomes.

Table 3.7: Pensioner ENRs position in the income distribution

| Year / Quintiles | | Income Before Housing Costs (BHC) | | | Income After Housing Costs (AHC) | | |
|--|-----------|-----------------------------------|-----|-----|----------------------------------|-----|-----|
| | | 1 | 2 | 3-5 | 1 | 2 | 3-5 |
| All Pensioner ENRs | 2001/2002 | 68% | 24% | 8% | 45% | 40% | 15% |
| | 2002/2003 | 64% | 26% | 10% | 42% | 42% | 16% |
| Pensioner ENRs excluding those in receipt of AA/DLA | 2001/2002 | 71% | 23% | 6% | 48% | 41% | 12% |
| | 2002/2003 | 67% | 26% | 7% | 44% | 43% | 13% |

Table 3.7 shows around two-thirds of pensioner ENRs of Council Tax Benefit were in the bottom quintile of the income distribution before housing costs and just over two-fifths after housing costs. The picture was broadly the same excluding pensioner ENRs in receipt of AA or DLA. Table 3.7 also shows that pensioner ENRs were relatively better off after housing costs than before housing costs. This can be explained as the majority of pensioner ENRs were owner-occupiers, many of whom had paid off their mortgages. So when income was analysed after housing costs were taken into account, pensioner ENRs of Council Tax Benefit appeared to be higher up the income distribution.

Table 3.8: Non-pensioner ENRs position in the income distribution

| Year / Quintiles | | Income Before Housing Costs (BHC) | | | Income After Housing Costs (AHC) | | |
|---|-----------|-----------------------------------|-----|-----|----------------------------------|-----|-----|
| | | 1 | 2 | 3-5 | 1 | 2 | 3-5 |
| All non-pensioner ENRs | 2001/2002 | 71% | 18% | 11% | 70% | 18% | 12% |
| | 2002/2003 | 70% | 17% | 13% | 69% | 18% | 13% |
| Non-pensioner ENRs excluding those in receipt of DLA | 2001/2002 | 72% | 18% | 10% | 71% | 18% | 12% |
| | 2002/2003 | 71% | 17% | 12% | 70% | 17% | 12% |

Table 3.8 shows that, in 2002/2003, about seven-tenths of non-pensioner ENRs were in the bottom quintile of the income distribution both before and after housing costs. This was also true when those in receipt of DLA were excluded from the analysis.

The percentage of entitled non-recipients and entitled recipients living on low incomes

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

household equivalised income results from the 'Households Below Average Income' publication. Figures are calculated both before housing costs (BHC) and after housing costs (AHC) for 2001/2002 and 2002/2003.

Table 3.9: Percentage of ENRs and ERs below 60 per cent of contemporary median income

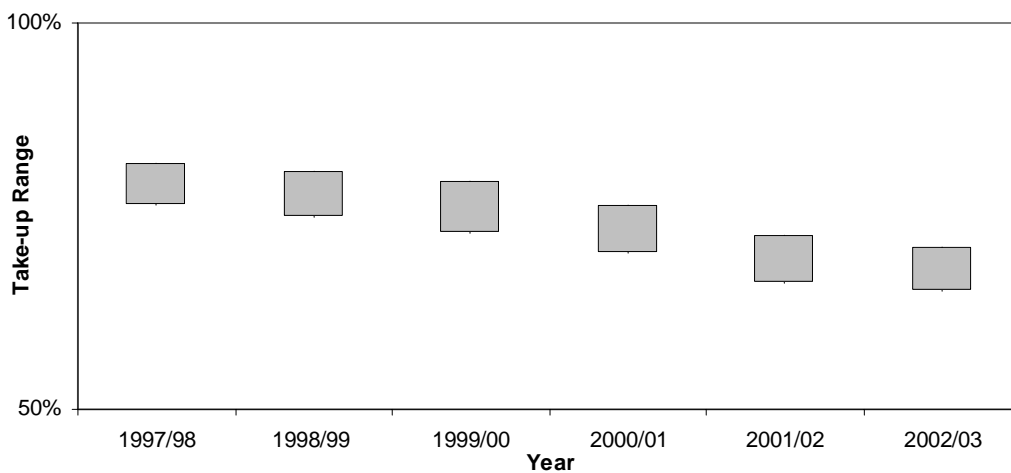
| Year/Percentage | | | Before Housing Costs (BHC) | After Housing Costs (AHC) |
|----------------------|-------------|-----------|----------------------------|---------------------------|
| Pensioner | ENRs | 2001/2002 | 58% | 51% |
| | | 2002/2003 | 54% | 47% |
| | ERs | 2001/2002 | 28% | 37% |
| | | 2002/2003 | 26% | 35% |
| Non-pensioner | ENRs | 2001/2002 | 74% | 79% |
| | | 2002/2003 | 78% | 81% |
| | ERs | 2001/2002 | 49% | 76% |
| | | 2002/2003 | 48% | 75% |

Table 3.9 shows that over half of pensioner ENRs lived in low-income households before housing costs; twice the proportion of pensioner ERs. The difference in the percentages between the groups reduced after housing costs were taken into account. After housing costs, just under half of pensioner ENRs were living with income below the 60 per cent median threshold. Moreover, just over three-quarters of non-pensioner ENRs were in low-income households, compared to around a half of non-pensioner ERs, before housing costs. On an AHC basis, the proportions were around four-fifths and three-quarters for non-pensioner ENRs and ERs respectively.

Trends in take-up over time

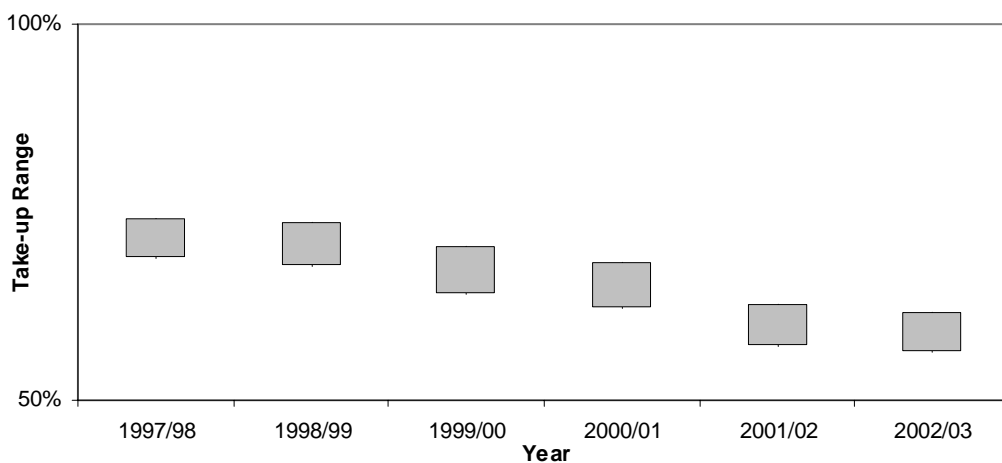
The following section focuses on take-up of main Council Tax Benefit over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997/1998. Comparing take-up over time is not straight forward. Our estimates of the range within take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, other than statistics covering the year prior to the latest published results, estimates of take-up have not been recast in light of methodological improvements. The statements made below allow for these complications as best we can.

Figure 3.3: Pattern over time in caseload Take-up of Council Tax Benefit



Since 1997/98 there has been a fall in the overall rate of take-up, of over 5, and possibly as much as 10, percentage points. Among those that would have been entitled under the benefit regime for each year, take-up may have fallen by up to 5 percentage points.

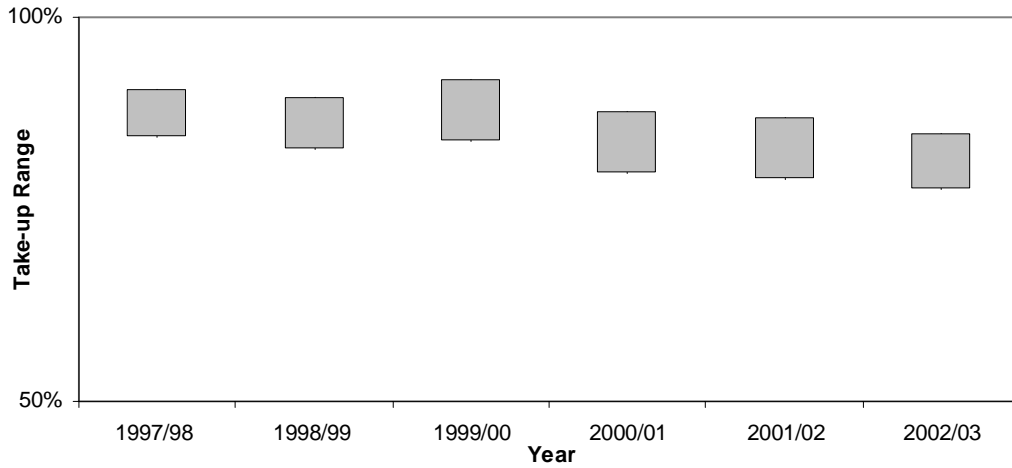
Figure 3.4: Pattern over time in caseload Take-up of Council Tax Benefit for Pensioners



Amongst pensioners there was a downward trend in take-up of close to 10 percentage points since 1997/98. An analysis of take-up among only those pensioners who would have been entitled if Council Tax Benefit applicable amounts had not been increased in real terms, between 1997/98 and 2002/03, suggests take-up fell by a lesser extent, of up to 5 percentage points. This implies that a significant contribution to the overall reduction

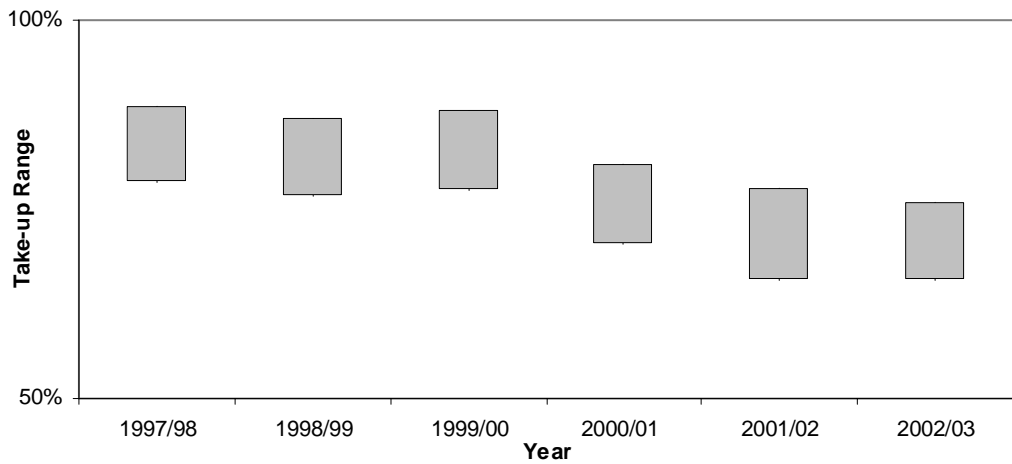
between 1997/98 and 2002/03 came from relatively low take-up among pensioners brought into entitlement by higher applicable amounts.

Figure 3.5: Pattern over time in caseload Take-up of Council Tax Benefit for Non-Pensioners



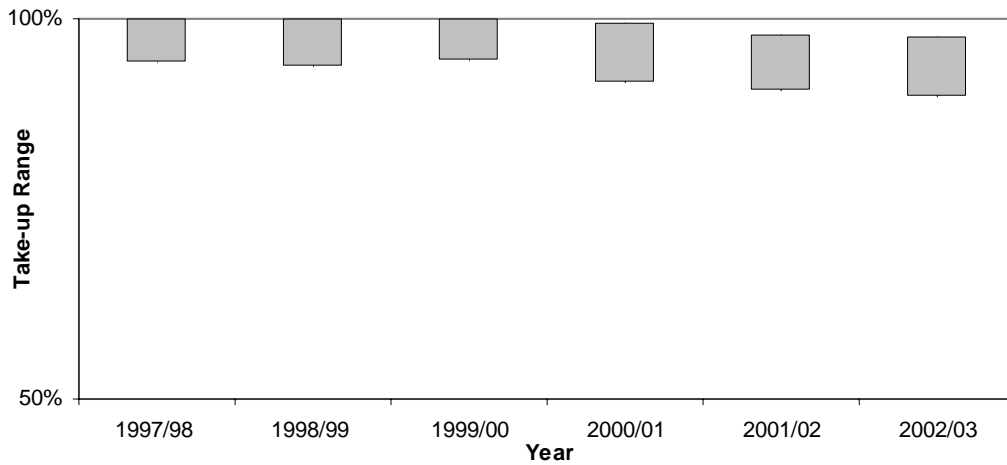
Since 1997/98 there has been a fall in take-up in the order of 4 to 8 percentage points amongst non-pensioners.

Figure 3.6: Pattern over time in caseload Take-up of Council Tax Benefit for Couples with Children



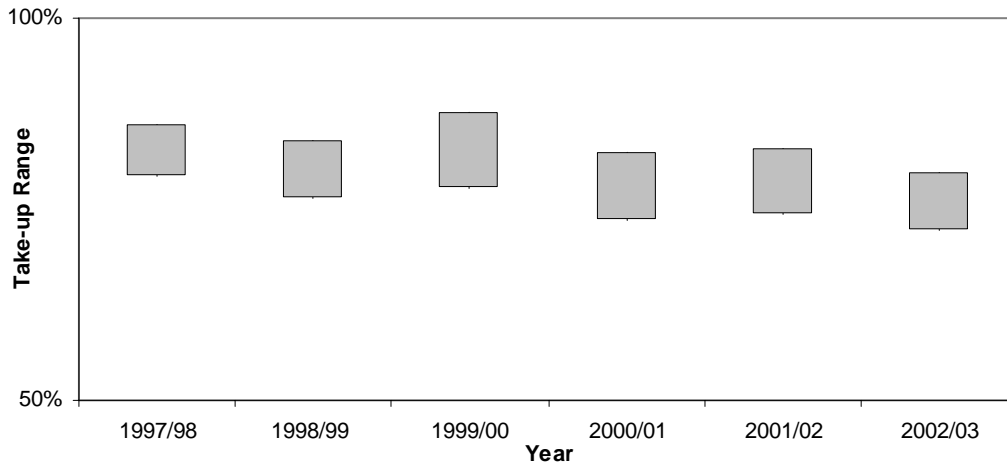
Since 1997/98 there has been a fall in take-up of around 10 percentage points. Among couples with children who would have been entitled in each year since 1997/98 – even without the increases in applicable amounts - the fall in take-up has probably been less than half of the overall decline.

Figure 3.7: Pattern over time in caseload Take-up of Council Tax Benefit for Lone Parents



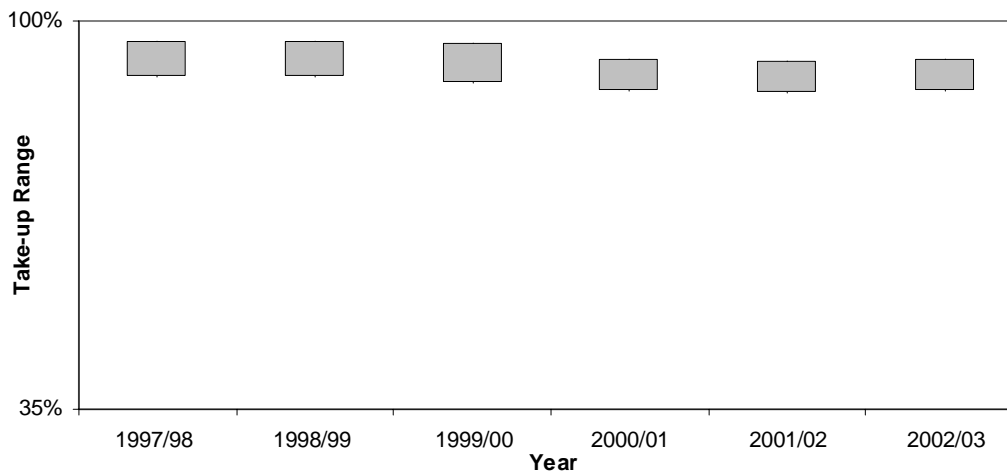
Since 1997/98, there was evidence of a reduction of 2 to 3 percentage points in take-up for lone parents, though this was not conclusive.

Figure 3.8: Pattern over time in caseload Take-up of Council Tax Benefit for Others



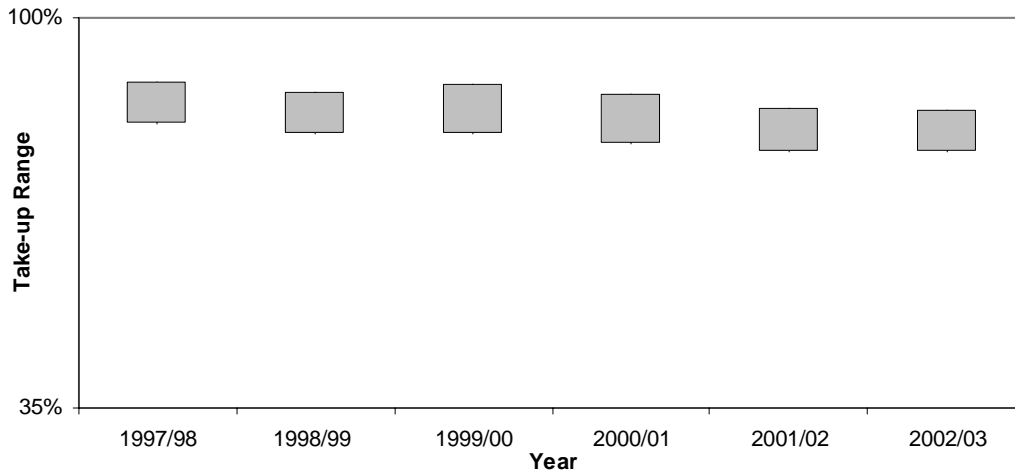
Amongst childless non-pensioner families, there was a fall in take-up of between 5 and 10 percentage points since 1997/98.

Figure 3.9 Pattern over time in caseload Take-up of Council Tax Benefit for LA Tenants



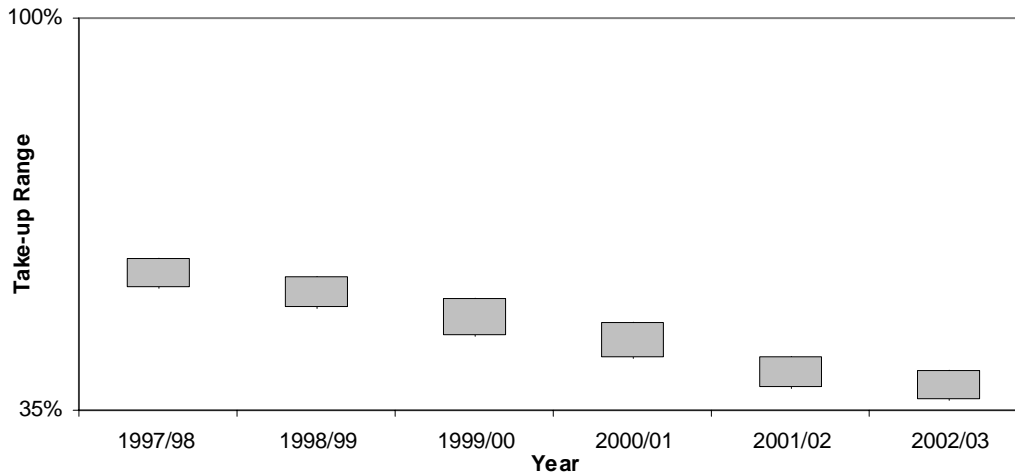
Since 1997/98, there appears to have been a slight fall in take-up, of up to 2 percentage points. The fall for LA tenants was attributable to low take-up among those brought into entitlement by higher applicable amounts.

Figure 3.10 Pattern over time in caseload Take-up of Council Tax Benefit for Private Tenants



Since 1997/98 there was evidence of a modest fall in take-up by private renters, probably between 2 and 4 percentage points. Some but not all of this was attributable to low take-up among those brought into entitlement by higher applicable amounts.

Figure 3.11 Pattern over time in caseload Take-up of Council Tax Benefit for Owner-Occupiers



Since 1997/98, take-up for owner occupiers fell by at least 10, and possibly as much as 15 percentage points. For those who would have been entitled in each year from 1997/98 – even without the increases in applicable amounts - the decline was probably around 10 percentage points.

Jobseeker's Allowance

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

Men over 60 but under 65 and lone parents may claim either Minimum Income Guarantee/Income Support or Jobseeker's Allowance (IB) in 2002/2003. For those who had an underlying entitlement to both of these benefits we cannot determine which one they might claim. In practice we know that the vast majority of these cases would have claimed Minimum Income Guarantee/Income Support so for the purposes of estimating take-up we have made the assumption that lone parents and men over 60 but under 65 would have claimed MIG/IS, rather than Jobseeker's Allowance (IB), if they have reported receipt of neither.

Guide to tables

Two tables, 4.1 and 4.2, present caseload and expenditure take-up statistics respectively for Jobseeker's Allowance (IB). Statistics are sub-divided into three non-pensioner family types – couples with children, single males and single females. The take-up statistics have been presented as ranges that reflect the maximum plausible upward and downward effects of bias on the baseline figures. Each range also includes a 95% confidence interval to reflect sampling error. Where ranges are wide, uncertainties as to biases account for the major part.

The statistics presented for couples with children were obtained by combining two years data together. Statistics presented for 2001/2002 are based on analyses of 2000/2001 and 2001/2002 data combined, while statistics presented for 2002/2003 are based on analyses of 2001/2002 and 2002/2003 data combined. This was done because sample sizes were too small to produce robust estimates based on a single year's data. Estimates of take-up by 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.

Additional tables are presented in the 'Further Analysis' section, which give an indication of where entitled non-recipients appeared in the household income distribution for Great Britain; and of the extent to which the group had incomes below 60 per cent of contemporary median income.

Results

Table 4.1: Caseload Take-up of Jobseeker's Allowance by family type

| | Year | Couples With Children | Single Males | Single Females | All |
|----------------------------------|-----------|-----------------------|--------------|----------------|---------------|
| | | | | | (Thousands) |
| Number of Recipients | 2001/2002 | 90 | 410 | 130 | 640 |
| | 2002/2003 | 80 | 390 | 130 | 590 |
| Range of Entitled Non-Recipients | 2001/2002 | 20 : 40 | 210 : 330 | 150 : 250 | 390 : 600 |
| | 2002/2003 | 20 : 40 | 130 : 280 | 100 : 180 | 260 : 480 |
| | | | | | (Percentages) |
| Take-Up Ranges | 2001/2002 | 70 : 81 | 55 : 67 | 34 : 47 | 51 : 62 |
| | 2002/2003 | 67 : 79 | 58 : 76 | 41 : 56 | 55 : 70 |

Note:

Estimates for Couples with Children presented for 2001/2002 are based on combined 2000/2001 and 2001/2002 data.

Estimates for Couples with Children presented for 2002/2003 are based on combined 2001/2002 and 2002/2003 data.

Estimates of the 2001/2002 Range of Entitled Non-Recipients for 'Single Females' and the subsequent Take-Up Range have been revised due to a refinement in methodology. See Chapter 5 for more details.

Table 4.2: Expenditure Take-up of Jobseeker's Allowance by family type

| | Year | Couples With Children | Single Males | Single Females | All |
|---------------------------------|-----------|-----------------------|--------------|----------------|----------------------|
| | | | | | (Pounds) |
| Average Weekly Amount Claimed | 2001/2002 | 130.9 | 50.0 | 47.5 | 61.3 |
| | 2002/2003 | 137.2 | 50.5 | 47.9 | 61.5 |
| Average Weekly Amount Unclaimed | 2001/2002 | 95.3 | 41.0 | 37.6 | 44.6 |
| | 2002/2003 | 100.0 | 41.6 | 38.0 | 45.6 |
| Median Weekly Amount Unclaimed | 2001/2002 | 100.9 | 42.0 | 42.0 | 42.0 |
| | 2002/2003 | 103.5 | 42.7 | 42.7 | 42.7 |
| | | | | | (Millions of Pounds) |
| Total Amount Claimed | 2001/2002 | 630 | 1,070 | 320 | 2,020 |
| | 2002/2003 | 570 | 1,020 | 320 | 1,900 |
| Total Range Unclaimed | 2001/2002 | 90 : 220 | 410 : 750 | 270 : 520 | 880 : 1,440 |
| | 2002/2003 | 100 : 220 | 260 : 630 | 180 : 380 | 590 : 1,170 |
| | | | | | (Percentages) |
| Take Up Ranges | 2001/2002 | 74 : 87 | 59 : 72 | 38 : 54 | 58 : 70 |
| | 2002/2003 | 72 : 85 | 62 : 80 | 45 : 63 | 62 : 76 |

Note:

Estimates for Couples with Children presented for 2001/2002 are based on combined 2000/2001 and 2001/2002 data.

Estimates for Couples with Children presented for 2002/2003 are based on combined 2001/2002 and 2002/2003 data.

Estimates of the 2001/2002 Total Range Unclaimed for 'Single Males', 'Single Females' and 'All' and the subsequent Take-Up Ranges have been revised due to a refinement in methodology. See Chapter 5 for more details.

Take-up appeared to be highest for couples with children and lowest amongst single females, by both caseload and expenditure measures.

Overall there was no clear change in take-up between the two time periods reported on. For couples with children, childless males and females the evidence is ambiguous and we cannot tell how take-up has changed.

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

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

The following results relate to those identified as entitled non-recipients (ENRs) in our modelling: in practice, a significant proportion of these may not have been true ENRs, and a significant proportion of true ENRs may not have been identified in our modelling. Where appropriate, we contrast them with the characteristics of those that were entitled and in receipt of Jobseeker's Allowance (IB), and in doing so explore some of the possible causes of non-take-up. A caveat the reader must bear in mind is that these analyses have not been corrected for the biases that may be inherent in estimates of entitlement to income-related benefits (for more on this see Chapter 5) and so they should be treated with some caution.

Figures 4.1, 4.2 and 4.3 (overleaf) show the percentage of entitled non-recipients (ENRs) and entitled recipients (ERs) against bands of entitlement to Jobseeker's Allowance (IB) for the three family types shown in Tables 4.1 and 4.2. All three graphs show that smaller amounts were less likely to be claimed.

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

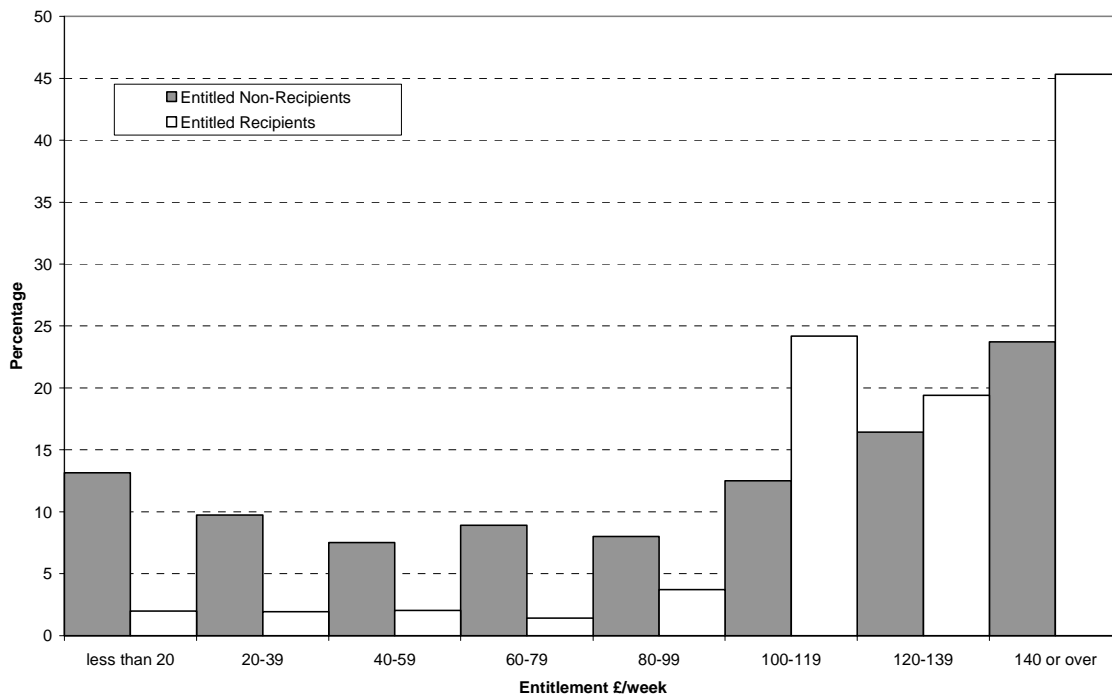


Figure 4.2: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Based Jobseeker's Allowance (Single Males)

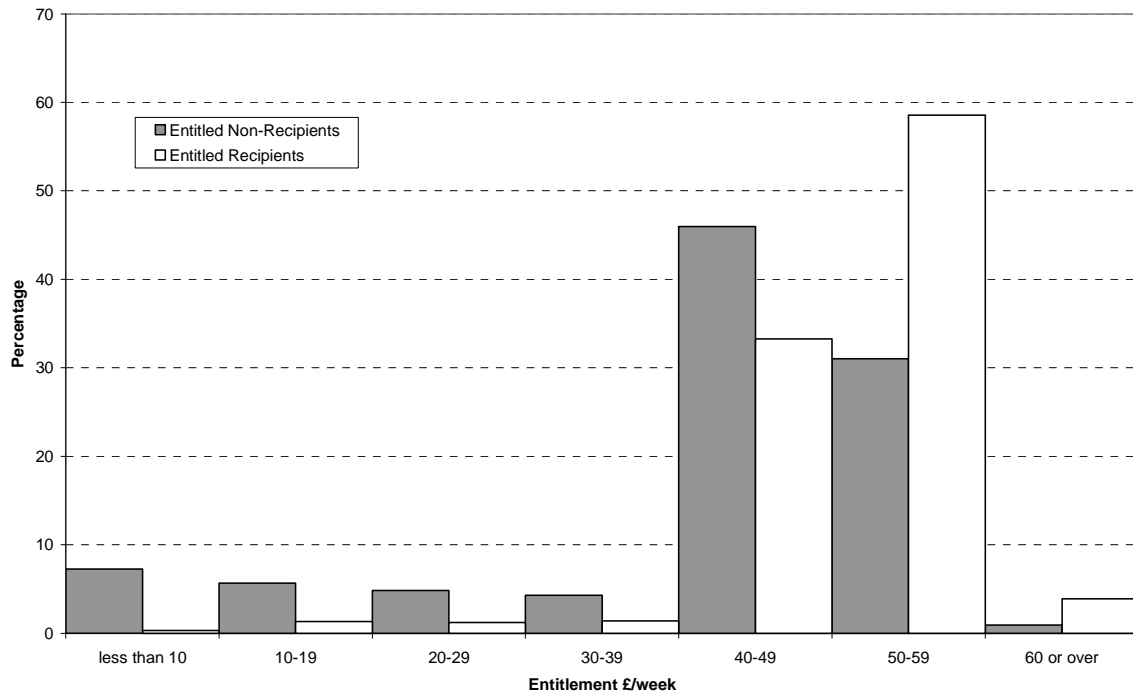
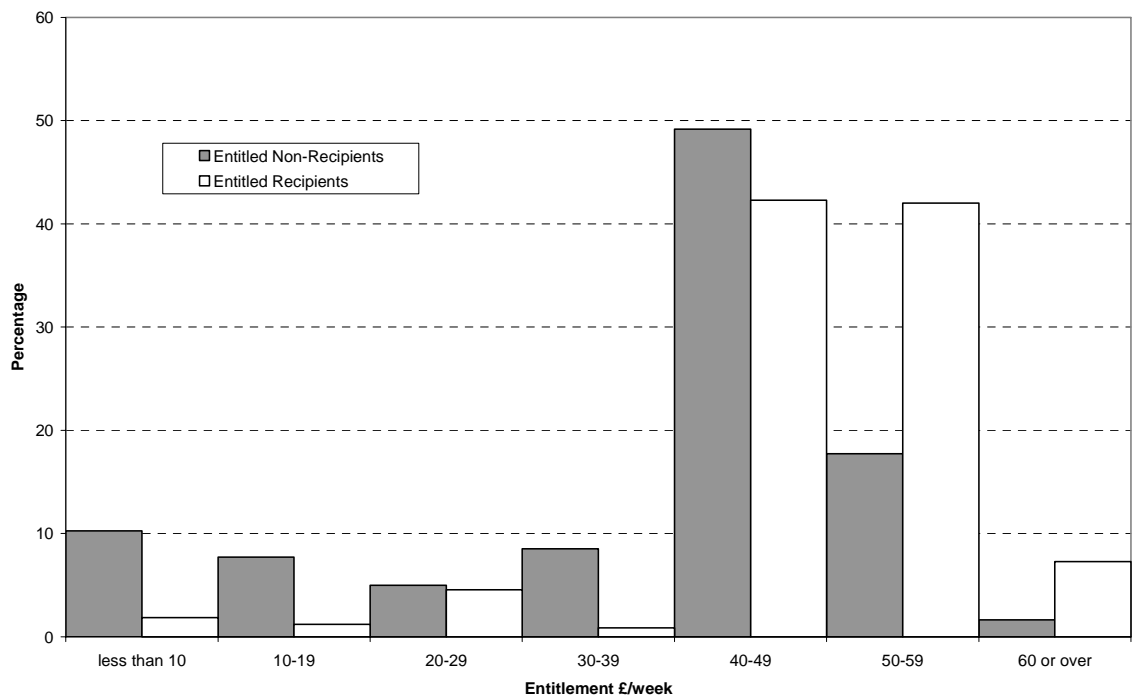


Figure 4.3: Percentage of Entitled Non-Recipients and Entitled Recipients by band of entitlement to Income Based Jobseeker's Allowance (Single Females)



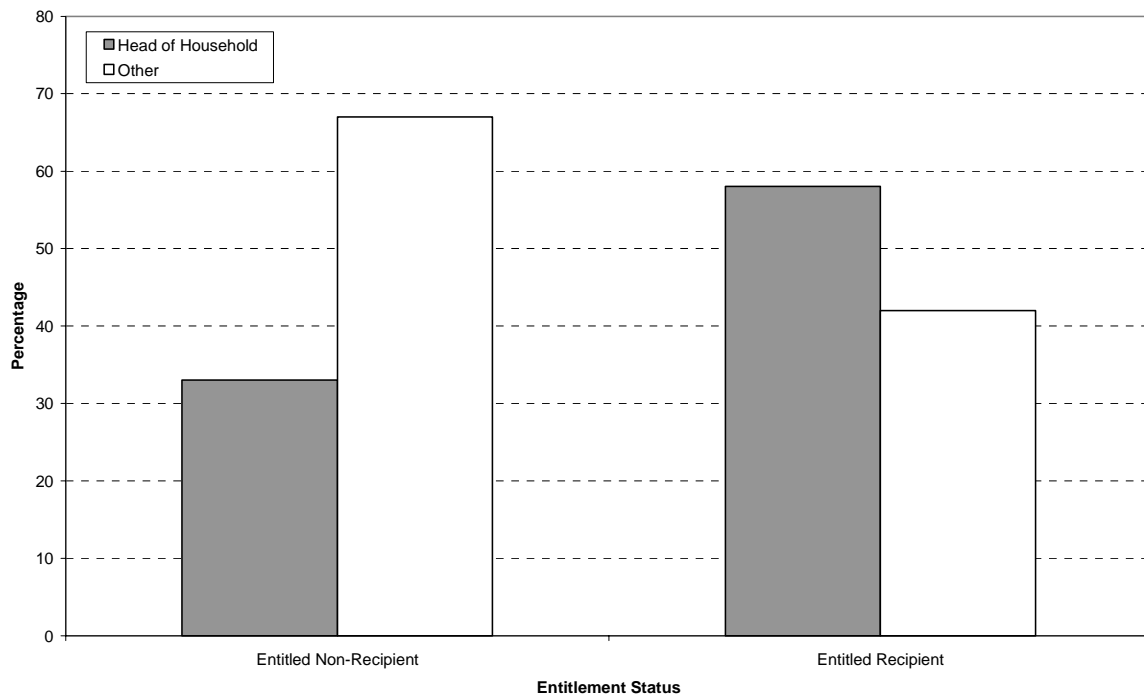
Around 53% of ENRs of Jobseeker's Allowance (IB) fell into the under 25 years of age category, in comparison to 29% of entitled recipients.

In the case of single men and women the majority of ENRs of Jobseeker's Allowance (IB) were young adults who were not the head of the household. This was true for 73% of single males and females. Further analysis of

these showed that nearly three-quarters of single females and about two-thirds of single males were young people living with their parents.

Figure 4.4 shows the relationship between benefit receipt by entitled people and status within the household. In the case of those who did not claim, just over one-third were the head of their household. In contrast, nearly three-fifths of those who did claim were the head of their household.

Figure 4.4: Status in Household for Entitled Non-Recipients and Entitled Recipients



One possible explanation for non-take-up is that some people may not claim the moment they become eligible to receive Jobseeker's Allowance (IB). This may happen for several 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 as people may not have got around to claiming benefit at the time of their FRS interview. The data showed that for ENRs, around 21% had been unemployed for less than 1 month compared with 12% for entitled recipients. This suggests that length of time unemployed was a factor affecting take-up of Jobseeker's Allowance (IB). Length of time spent unemployed may also be a factor in the difference in take-up between single females and single males. Analysis of DWP administrative records⁸ lends tentative support to this notion. The average inflow rate⁹ for single males was 50% between May 2002 and February 2003, compared with 59% for single females. The average outflow rate¹⁰ over the same period was 57% for single males and 61% for single females. This suggests that single females had a tendency to have shorter spells on Jobseeker's Allowance (IB) compared to males.

⁸ Analyses of Jobseeker's Allowance Quarterly Statistical Enquiries August 1997 – February 2003 and terminated claims.

⁹ Inflow rate = numbers coming onto benefit / total number on benefit

¹⁰ Outflow rate = numbers leaving benefit / total number on benefit

The position of entitled non-recipients and entitled recipients in the income distribution

This section provides an analysis of the position of entitled non-recipients and entitled recipients of Jobseeker's Allowance (IB) in the household income distribution for Great Britain. Analysis is presented for income both before and after housing costs for 2001/2002 and 2002/2003.

The following table has been produced, by combining the data sets used to produce this publication with the data sets used to produce the 'Households Below Average Income' publication. This means combining benefit unit based results (take-up statistics) with household equivalised income based results (Households Below Average Income). For some ENRs and ERs, their position in the income distribution may have been affected by the incomes of other household members. Small sample sizes for the number of ENRs in each quintile have prevented a more detailed breakdown.

Table 4.5: Jobseeker's Allowance (IB) ENRs and ERs position in the income distribution

| Year /Quintiles | | Income Before Housing Costs (BHC) | | Income After Housing Costs (AHC) | |
|-----------------|-----------|--------------------------------------|-------|-------------------------------------|-------|
| | | 1 | 2 - 5 | 1 | 2 - 5 |
| All ENRs | 2001/2002 | 67% | 33% | 69% | 31% |
| | 2002/2003 | 70% | 30% | 71% | 29% |
| All ERs | 2001/2002 | 76% | 24% | 79% | 21% |
| | 2002/2003 | 74% | 26% | 80% | 20% |

Quintile 1 represents the bottom twenty per cent of the population with the lowest household incomes, while quintile 5 reflects the top twenty per cent with the highest household incomes.

Table 4.5 shows that before housing costs, seven out of ten of Jobseeker's Allowance (IB) ENRs were in the bottom quintile of the income distribution in 2002/2003. ERs had a higher risk of being in the bottom quintile on the income distribution, with about three-quarters in the bottom quintile of income, before housing costs and four-fifths on an after housing costs basis in 2002/2003.

The percentage of entitled non-recipients and entitled recipients living on low incomes

This section provides an analysis of the percentage of ENRs and ERs living in low-income households. One commonly used indicator of low income is whether a household is below 60 per cent of contemporary median income – the median income is the income below which half the population lie. This indicator of low income is used in the following analysis, which as in the previous section combines benefit unit level take-up data sets with household equivalised income results from the 'Households Below Average Income' publication. Again, similar to the previous analysis, the position of some ENRs and ERs in the income distribution may be affected by the incomes of other household members. Figures have been calculated for income both before housing costs (BHC) and after housing costs (AHC) for 2001/2002 and 2002/2003.

Table 4.6: Percentage of ENRs and ERs below 60 per cent of contemporary median income

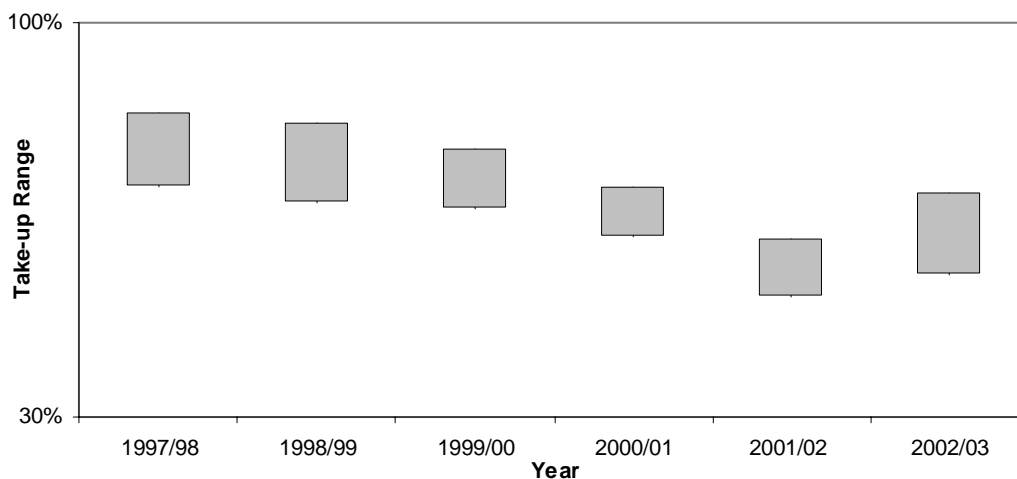
| Year / Percentage | | Before Housing Costs (BHC) | After Housing Costs (AHC) |
|-------------------|-----------|----------------------------|---------------------------|
| | | Living below 60% median | Living below 60% median |
| All ENRs | 2001/2002 | 64% | 70% |
| | 2002/2003 | 67% | 71% |
| All ERs | 2001/2002 | 71% | 81% |
| | 2002/2003 | 70% | 81% |

Table 4.6 shows that before housing costs approximately two-thirds of ENRs were living in low-income households in 2002/2003. After housing costs are deducted the estimate is about seven in ten. ERs had a higher risk of living in low-income households.

Trends in take-up over time

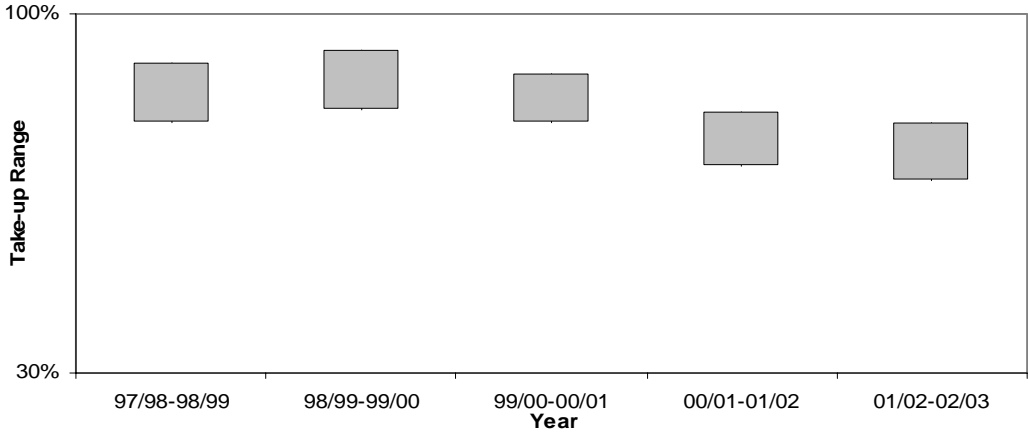
The following section focuses on take-up of Jobseeker's Allowance (IB) over the recent past. In the graphs below, previously published caseload statistics illustrate patterns in take-up since 1997/1998. Comparing take-up over time is not straight forward. Our estimates of the range within take-up lies allow for biases, which can change from year to year; but we cannot be sure of the extent or effects of changes. Furthermore, other than statistics covering the year prior to the latest published results, estimates of take-up have not been recast in light of methodological improvements. The statements made below allow for these complications as best we can.

Figure 4.5: Pattern over time in caseload Take-up of Jobseeker's Allowance (IB)



Since 1997/98 there has been a trend fall in the overall rate of take-up of Jobseeker's Allowance (IB) of probably around 10 percentage points.

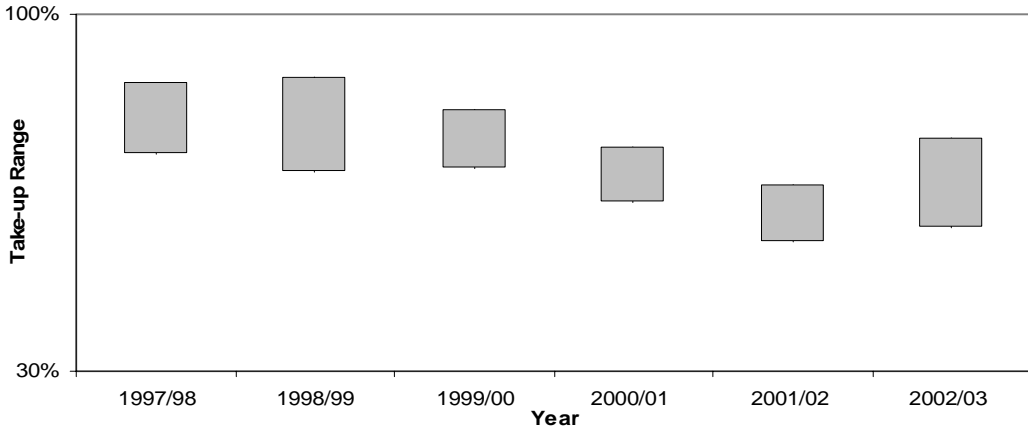
Figure 4.6: Pattern over time in caseload Take-up of Jobseeker's Allowance for Couples with Children



Note: Estimates are based on combined two years data

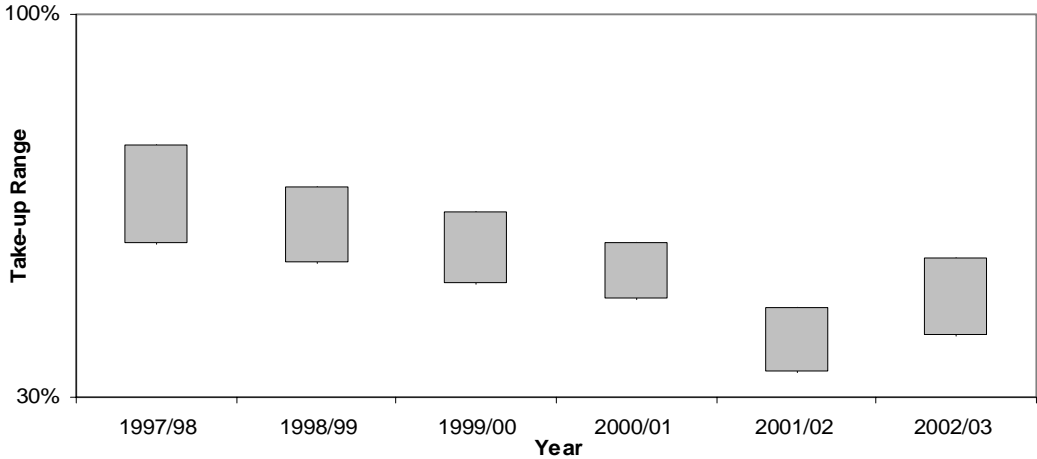
Take-up fell from 1997/1998-1998/1999 to 2001/2002-2002/2003, possibly by the order of 10 percentage points; though sampling and other potential errors make it difficult to quantify the change.

Figure 4.7: Pattern over time in caseload Take-up of Jobseeker's Allowance (IB) for Single Males (Childless)



Since 1997/98 there has been a trend fall in take-up of possibly 10 percentage points; though there is a wide range of uncertainty due to changes in biases over time.

Figure 4.8: Pattern over time in caseload Take-up of Jobseeker's Allowance (IB) for Single Females (Childless)



Since 1997/98 there has been a trend fall in take-up of 10 percentage points or more.

Chapter 5

Methods and Data Sources

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

Caseload:

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

Expenditure:

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

Take-up estimates are presented as ranges and are calculated in three 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 is made, using various sources of information, and range estimates are calculated. Finally, a 95% confidence interval is placed around the range estimates to take account of the potential effects of sampling variation. It can then be assumed that true take-up lies within the resulting range estimates.

The Baseline Estimates

The DWP administrative records contain information on recipients (Rs) of Income Support, Minimum Income Guarantee and Jobseeker's Allowance (IB), and DWP statistical extracts from LA administrative records contain information on Rs of Housing Benefit and Council Tax Benefit. Analysis of the FRS produces information on entitled non-recipients (ENRs). Using the definition of caseload take-up given above for each benefit 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 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 £R and £ENR being the average weekly amounts received by recipients and unclaimed by entitled non-recipients.

Calculation of Error Ranges

We attempt to allow for the potential bias in the baseline estimates before applying the 95% confidence intervals. Earlier work¹¹ 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 Minimum Income Guarantee, 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%.

¹¹ *Analytical Notes: Number 3. The take-up of income related benefits: Inaccuracies in the estimation of take-up rates*, (1994) Gordon Harris, DSS.

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.

Assessing the Extent of Errors in Baseline Estimates

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

The main errors, for which the baseline estimates may require correction, are: 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 non-entitled benefit units, but it can also be due to under-estimation of entitlement which might lead us to misclassify some truly entitled recipients as not entitled. More seriously, it can also lead us to misclassify some truly entitled non-recipients as not entitled, which results in a downward bias in our estimate of the total number of entitled non-recipients. The larger the number of NERs in relation to the FRS count of recipients, the greater the allowance we make for under-estimation of entitlement. Prior to publication of the 1997/1998 estimates we assumed that the incidence of over-estimation of entitlement - people wrongly added to the count of those entitled - equalled the incidence of under-estimation (the proportion of truly entitled people falsely regarded as non-entitled). However, since then 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. For 2002/2003, we have found evidence of a significant difference within modelling entitlements to Jobseeker's Allowance (IB) and Minimum Income Guarantee.

To assess the possible extent of incorrect identification of benefit receipt, we consider the possible causes. One such cause could be that people are awaiting the outcome of a benefit claim; the FRS allows us to identify such cases. Another cause is confusion between benefits, where people are receiving more than one benefit. We seek to identify the number of such cases; for some cases it is possible to re-classify some people, with confidence, as recipients. For Council Tax Benefit, there are particular problems with identifying benefit receipt, partly because of confusion with the single person's Council Tax discount; these have been considered in detail.

We also use a comparison of the grossed FRS count of recipients and the equivalent count from the administrative data. Where the FRS count falls short of the administrative count, this can be taken as evidence of: under-reporting of benefit receipt, leading to under-estimation of take-up (via over-estimation of numbers entitled to but not receiving their benefit); or 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 ambiguity can lead to wide ranges of estimated take-up (notably Income Support 'Single males without children') because 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

Changes to assumptions made about the extent to benefit under-reporting

Earlier on it was mentioned that where there is a shortfall between the grossed FRS count of recipients and the figure from administrative data, this could be taken as evidence of under-reporting of benefit receipt. One possible explanation of this misreporting is that respondents to the FRS are confused about which benefits they receive but are more confident about the total amount they are paid. In most previous editions of this publication, for groups where the comparison between the survey and administrative data sources indicated a shortfall in reported benefit receipt, a proportion of the difference was assumed to lead to over-estimation of the numbers entitled to but not receiving the benefit in question. This approach to estimating the size of error emanating from benefit under-reporting continues to be employed in the latest take-up estimates. However, where the shortfall in the grossed FRS count of recipients compared to number from benefit data is larger than 10%, information on the extent to which apparent entitled non-recipients may be in receipt of other benefits - as evidence of potential benefit confusion - is incorporated in the calculation of take-up estimates. This approach was adopted in the last report. A refinement introduced in this edition is an assumption that only a proportion of those identified as receiving potentially confusable benefits would falsely add to the count of entitled non-recipients. The assumption is based on the fact that not all respondents that mis-reported benefits that they were receiving would have also under-reported their total income; such under-reporting is a necessary requirement to be falsely added to the entitled non-recipient count. This refinement to methodology affects estimates of take-up by caseload and/or expenditure through changes in ranges of entitled non-recipients and/or amounts unclaimed for the following groups: Income Support: 'Single Males' and 'Single Females'; Housing Benefit: 'Others' and 'Private Renters' and Jobseeker's Allowance (IB): 'Single Males' and 'Single Females'. Estimates of caseload and expenditure take-up for 2001/2002 have been revised on this basis to allow a better comparison with the latest results. Where aggregate estimates of take-up that span these groups have changed, the revised figures have also been presented in the relevant chapter tables. Both the 2001/2002 published and the revised estimates are presented in Table 5.1 and 5.2.

Changes to assumptions made about asymmetry of modelling errors

It was mentioned earlier that where there is evidence of significant differences in the incidence of under-estimation and over-estimation of entitlement, it is taken into account in the assessment of potential error. In the past there has been evidence of such difference in the estimates of Council Tax Benefit. In the last edition of the publication, asymmetrical assumptions were used in the calculation of entitlement for 'Couples with children'. However in 2002/2003 there was no strong evidence of a significant difference in the incidence of over and under-estimation of entitlement, therefore symmetrical assumptions have been used. This is in contrast to 'Single Males' and 'Single Females' for Jobseeker's Allowance (IB) and 'Pensioner Couples' for Minimum Income Guarantee where the evidence showed there was significant asymmetry in estimating entitlement. Asymmetrical modelling error assumptions have been employed in constructing the 2002/2003 statistics for these family types.

Table 5.1: 2001/2002 previously published and revised estimates of take-up for groups affected by a change in methodology

| | Caseload | Expenditure |
|---|-----------|-------------|
| <u>Income Support (non-pensioners)</u> | | |
| Single males without children | | |
| 2001/2002 published estimate | 75% : 86% | 82% : 93% |
| 2001/2002 revised estimate | 75% : 89% | 82% : 95% |
| Single females without children | | |
| 2001/2002 published estimate | 77% : 98% | 82% : 99% |
| 2001/2002 revised estimate | 77% : 91% | 82% : 96% |
| Non-pensioners without children | | |
| 2001/2002 published estimate | 78% : 91% | 84% : 95% |
| 2001/2002 revised estimate | 78% : 90% | 84% : 94% |
| All Non-pensioners | | |
| 2001/2002 published estimate | | 91% : 98% |
| 2001/2002 revised estimate | | 91% : 97% |
| <u>Jobseeker's Allowance (IB)</u> | | |
| Single males without children | | |
| 2001/2002 published estimate | | 59% : 75% |
| 2001/2002 revised estimate | | 59% : 72% |
| Single females without children | | |
| 2001/2002 published estimate | 34% : 48% | 38% : 58% |
| 2001/2002 revised estimate | 34% : 47% | 38% : 54% |
| All | | |
| 2001/2002 published estimate | | 58% : 73% |
| 2001/2002 revised estimate | | 58% : 70% |
| <u>Housing Benefit</u> | | |
| Others (childless non-pensioner families) | | |
| 2001/2002 published estimate | 80% : 88% | |
| 2001/2002 revised estimate | 80% : 87% | |
| All Non-pensioners | | |
| 2001/2002 published estimate | | 89% : 95% |
| 2001/2002 revised estimate | | 89% : 94% |
| Private Renters | | |
| 2001/2002 published estimate | 80% : 89% | |
| 2001/2002 revised estimate | 80% : 88% | |

Table 5.2: 2001/2002 previously published and revised estimates of the Range of Entitled Non-Recipients and Total Range Unclaimed for groups affected by a change in methodology

| | Range of Entitled Non-Recipients (<i>Thousands</i>) | Total Range Unclaimed (<i>Millions of Pounds</i>) |
|---|---|---|
| <u>Income Support (non-pensioners)</u> | | |
| Single males without children | | |
| 2001/2002 published estimate | 80 : 150 | 100 : 300 |
| 2001/2002 revised estimate | 60 : 150 | 70 : 300 |
| Single females without children | | |
| 2001/2002 published estimate | 10 : 110 | 10 : 230 |
| 2001/2002 revised estimate | 40 : 110 | 50 : 230 |
| Non-pensioners without children | | |
| 2001/2002 published estimate | 90 : 270 | 140 : 530 |
| 2001/2002 revised estimate | 110 : 270 | 170 : 530 |
| All Non-pensioners | | |
| 2001/2002 published estimate | 110 : 350 | 220 : 880 |
| 2001/2002 revised estimate | 120 : 350 | 250 : 880 |
| <u>Jobseeker's Allowance (IB)</u> | | |
| Single males without children | | |
| 2001/2002 published estimate | | 360 : 750 |
| 2001/2002 revised estimate | | 410 : 750 |
| Single females without children | | |
| 2001/2002 published estimate | 140 : 250 | 230 : 520 |
| 2001/2002 revised estimate | 150 : 250 | 270 : 520 |
| All | | |
| 2001/2002 published estimate | | 760 : 1,440 |
| 2001/2002 revised estimate | | 880 : 1,440 |
| <u>Housing Benefit</u> | | |
| Others (childless non-pensioner families) | | |
| 2001/2002 published estimate | 150 : 270 | 250 : 540 |
| 2001/2002 revised estimate | 160 : 270 | 270 : 540 |
| All Non-pensioners | | |
| 2001/2002 published estimate | 180 : 350 | 330 : 730 |
| 2001/2002 revised estimate | 190 : 350 | 350 : 730 |
| Private Renters | | |
| 2001/2002 published estimate | 220 : 430 | 410 : 920 |
| 2001/2002 revised estimate | 240 : 430 | 450 : 920 |
| All | | |
| 2001/2002 published estimate | 370 : 680 | 600 : 1,230 |
| 2001/2002 revised estimate | 390 : 680 | 630 : 1,230 |

Data Sources

The Family Resources Survey

The Family Resources Survey was used for all four benefits to analyse entitled non-recipients. During the financial year 2002/2003 the FRS interviewed 26,960 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 Report¹².

Administrative data

Income Support and Minimum Income Guarantee

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 2001/2002 estimates, these proportions were taken from the May 2002 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 2002/2003 estimates.

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 recipients of income based JSA.

¹² For more information about this publication please visit the following website: <http://www.dwp.gov.uk/asd/frs>

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. 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 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 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 may differ from those in other published sources.

Grossing Up

The take-up statistics are all based on grossed up FRS data. The grossing system used is designed to make grossed estimates more accurate and reliable. The grossing scheme controls the population estimates of benefit units and households, taking into account variables like tenure and Council Tax Band as well as the age, sex and

marital status variables. Department for Work and Pensions statisticians, in consultation with other departments, have been preparing a new grossing regime for the DWP Family Resources Survey. This regime was not available in time for the production of take-up estimates in this edition. The following set of statistics, relating to 2003/2004, will use the new regime; before they are released, a detailed assessment of the impact of the change in regime will be prepared. DWP statisticians will ensure that interpretation of results presented in that annual release take into account the change in grossing methodology; if changes have a significant impact, results for 2002/2003 will be re-calculated on a basis consistent with that for 2003/2004.

Problems

Take-up by pensioners

Misreporting of capital holdings by pensioners

A 1998 follow-up survey of pensioner FRS interviewees who appeared to be entitled non-recipients of Income Support indicated that a substantial proportion had savings above the upper capital limit of £8,000. Problems with establishing what savings pensioners hold are partly a cultural phenomenon, with savings being regarded as a more private matter than income. But other obstacles include difficulties in recalling what assets are held, especially for those with an array of assets or whose finances their partner or another person has managed. The DWP research report number 9 “Comparing Strategies for Collecting Information on Personal Assets”¹³ pinpointed, through cognitive probing of a small number pensioners, strengths with existing asset questions in the FRS and weaknesses to which solutions were suggested. It also reported that there are inherent difficulties in any survey in eliciting accurate information on personal assets amongst pensioners.

In 2001 the DWP commissioned the Office for National Statistics (ONS) and the National Centre for Social Research to undertake another survey of pensioners who appeared to be entitled non-recipients of Minimum Income Guarantee. The results are published in the DWP research report no. 197 ‘Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit’. Participants in the survey were drawn from people interviewed on the FRS between October 1998 and March 2001. Those selected were pensioners whose financial circumstances at the time of their FRS interview suggested that they were ENRs. On re-interview, a few respondents reported that they were in fact in receipt of Minimum Income Guarantee or Income Support at the time of their original FRS interview. For these respondents information on their savings and investments were not sought, as they were effectively ‘hidden’ recipients.

The study found that 17% of those classified as ENRs as a result of their original FRS interview were, at the time of re-interview, ineligible for Minimum Income Guarantee because of excess capital holdings.

However, several years had elapsed between the original FRS interviews and the interviews conducted in the survey of Minimum Income Guarantee entitled non-recipients, so some of the 17% may have represented a change in circumstances. Respondents whose apparent change in assets between the two interviews resulted in crossing the £8,000 capital threshold and entailed an increase of at least £1,000 or more were asked further questions to establish whether or not the change was plausible. A significant proportion of pensioner respondents disagreed with the apparent change in savings and investments, but a substantial proportion, over 40%, did not.

Taking into account this information the possibility that all of the 17% of the surveyed ENRs of Minimum Income Guarantee under-reported their capital holdings at their original FRS interview was discounted. The minimum plausible proportion of pensioner ENRs that may have misreported the value of their savings and investments consistent with the results of the survey was 10% and a maximum was assumed at 14½%. These are the best estimates of the percentage of ENRs failing to report to the FRS capital holdings exceeding £8,000.

¹³ A copy of this report can be found at: <http://www.dwp.gov.uk/asd/asd5/WP9.pdf>

These results can be incorporated into the error analysis framework (described earlier). This is 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.

The limits of potential capital misreporting are approximately half of those based on the 1999 DSS “Overcoming Barriers...” research and had the effect of reducing 2000/2001 estimates of take-up of pensioner Minimum Income Guarantee at both the bottom and top end of the caseload range estimate.

The effect of the main research findings on the 2000/2001 estimates of caseload take-up for pensioners are presented in Chapter 5 of ‘Income Related Benefits Estimates of Take-Up in 2000/2001’.

In April 2001 the upper capital limit for eligibility to Minimum Income Guarantee was raised from £8,000 to £12,000. The extent to which pensioners in 2002/2003 may have under-reported capital holdings against the higher threshold is judged, on the basis of evidence from the FRS follow-up study, to be the same as that for the £8,000 capital limit.

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

‘Shortfall’ of reported Minimum Income Guarantee recipients on the FRS

For many years the count of pensioner recipients of Income Support and in recent years Minimum Income Guarantee, drawn from the FRS and its predecessor the Family Expenditure Survey, has fallen well short of the count from the Department’s administrative records. The latter has a very high degree of accuracy and therefore the shortfall has raised questions regarding the quality of the survey count. There are two possible reasons for a ‘shortfall’ in the number of Minimum Income Guarantee recipients reported on the FRS. These are:

- The survey may be securing interviews from the right number of low-income pensioners, but some of these are not correctly identifying which benefits they are getting – e.g. someone receiving £72 Retirement Pension and £20 Minimum Income Guarantee may report it as £92 Retirement Pension.
- The survey may be securing interviews from too few low-income pensioners, or the way in which the survey counts are grossed-up to national counts – the grossing regime – may yield too low a number of low-income pensioners. (The regime is designed to get the total number of pensioners correct.)

The first explanation would imply that we might be overstating the number of entitled non-recipients, because some of them are really ‘hidden’ recipients of Minimum Income Guarantee. The second would imply we might be understating the number. Our uncertainty, as to the relative contribution of the two explanations accounts for a substantial portion of the width of the range of take-up estimates for Minimum Income Guarantee.

DWP commissioned the ONS to carry out an exercise to establish how many of the apparent ENRs in 2000/2001 were actually recipients of Minimum Income Guarantee at the time of the FRS interview, in order to help narrow the take-up range. The research involved comparing pensioner cases modelled as ENRs with the Department’s benefit records. The process of datamatching that followed revealed several ‘hidden’ recipients of Minimum Income Guarantee but also helped to confirm the modelled status of entitled non-recipients for many cases. Chapter 5 of ‘Income Related Benefits Estimates of Take-Up in 2000/2001’ contains further details of the exercise. Chapter 5 of ‘Income Related Benefits Estimates of Take-Up in 2001/2002’ explains how results of the 2000/2001 exercise were extended to apply to estimates of take-up of Minimum Income Guarantee in

2001/2002. In 2004 the ONS carried out a new datamatching exercise to help examine the presence of potential 'hidden' recipients among apparent ENRs of Minimum Income Guarantee in 2002/2003.

The ONS compared FRS 2002/2003 individual respondents aged at least 60 years old with individuals contained on DWP Minimum Income Guarantee (MIG) and Retirement Pension (RP) benefit record extracts spanning the survey year and Winter Fuel Payments (WFP) data relating to February 2003. The benefit data for Minimum Income Guarantee were fortnightly caseload 'snapshots' taken between March 2002 and May 2003. For Retirement Pension, the extracts were every 6 weeks between April 2002 and April 2003. The additional data on Retirement Pension and Winter Fuel Payments served to provide a benchmark for matching, as a high proportion of pensioners receive these compared to Minimum Income Guarantee.

The matching of the survey data with administrative records was difficult, as there was no unique variable common to both sources. National insurance numbers contained on the administrative data allowed, in the first instance, benefit records to be combined. This helped to consolidate and verify information held on individual benefit claimants prior to the matching against survey data. The FRS does not collect national insurance numbers from survey respondents. Given this, the ONS developed computer programs which sought data matches between the consolidated administrative dataset and the FRS data by a combination of the following criteria:

- *Postcode*; Exact match, First 4 characters match, no match
- *House number*; Exact match, no match
- *Surname*; Exact match, Partial match, no match
- *Forename*; Exact match, First character match, no match
- *Sex*; Exact match, no match
- *Age*; Exact match, +/-1 year match, no match

Together there were 324 possible matching combinations. Each FRS pensioner individual was assigned a match level that represented the most reliable data match against information held across benefit extracts. An ONS ranking showed that all FRS pensioner respondents were matched against either Minimum Income Guarantee or Retirement Pension or Winter Fuel Payments records; and they were matched in no more than around 100 different combinations.

Further inspection of the degree of matching by DWP analysts judged that, within the 100 combinations, there were 30 different match levels that were likely to deliver reliable person level matching, particularly in relation to considering data matches against Minimum Income Guarantee extracts. A further 40 matching combinations were identified as 'good' data matches, but the chance of matching a wrong person could not be ruled out. It is mainly on the former group of matches that the subset of FRS pensioners that were modelled as ENRs of Minimum Income Guarantee was examined further.

Table 5.3 overleaf displays the datamatching outcomes for apparent ENRs across pensioner benefit units. The counts refer to ungrossed numbers of FRS cases. In total three-fifths of apparent ENRs of Minimum Income Guarantee were matched (according to the reliable match categories) against the combined administrative data of MIG, RP or WFP. If the additional (less certain) 40 match categories are included, the percentage datamatching on any benefit extract rises to around 85%. Over one-fifth of reliably datamatched apparent ENRs were, at some point in time during the survey year, claiming Minimum Income Guarantee; though the proportion among pensioner couples was nearer 15% and for single female pensioners over 25%.

Data matches of specific interest are those as close as possible to the FRS date of interview. Minimum Income Guarantee ENR cases that were found on administrative records for Minimum Income Guarantee either some time before or some time after their FRS interview would not necessarily mean that they were incorrectly assigned 'ENR' status. In the former situation, a claimant in a pensioner couple may have passed away and the spouse had yet to renew the claim under his or her name. In the latter case, pensioners may apply for Minimum Income Guarantee after their FRS interview date. Where data matches were found on fortnightly Minimum Income Guarantee extracts, a claim start or end date within a week of the FRS interview date was given special attention. In particular, if a claim spell included the date of the FRS interview, then it was almost certain that the

apparent ENR was ‘hidden’ recipient of Minimum Income Guarantee when responding to the FRS. Table 5.3 shows that in total around 17% of modelled ENR cases had FRS interviews during a Minimum Income Guarantee claim span. This result suggests that these cases were not true entitled non-recipients of Minimum Income Guarantee.

Table 5.3: Outcomes of datamatching apparent ENRs of Minimum Income Guarantee in 2002/2003 with DWP benefit records

| | Pensioner Couples | Single Male Pensioners | Single Female Pensioners | All Pensioners | Post-data matching classification |
|--|----------------------|---------------------------|-----------------------------|-------------------|---|
| Apparent “ENRs” | 351 | 229 | 646 | 1226 | - |
| Reliably matched against one or more DWP benefit extract i.e. MIG or RP or WFP records | 223 | 122 | 394 | 739 | - |
| No reliable match against MIG/RP/WFP records | 128 | 107 | 252 | 487 | Apparent ENRs |
| Cases found on MIG extracts at any point in time, <i>of which:</i> | 33 | 27 | 104 | 164 | - |
| ➤ <i>FRS interview occurred during a MIG claim span</i> | 20 | 20 | 83 | 123 | ‘Hidden’ recipients |
| ➤ <i>FRS interview occurred before a MIG claim span</i> | 11 | 5 | 20 | 36 | Probable ENRs |
| ➤ <i>FRS interview occurred after a MIG claim span</i> | 2 | 2 | 1 | 5 | Probable ENRs |
| Cases not found on MIG extracts at any point in time, <i>of which:</i> | 190 | 95 | 290 | 575 | - |
| ➤ <i>Cases found on RP or WFP extracts</i> | 190 | 95 | 290 | 575 | Probable ENRs |

If the datamatching criterion was expanded to encompass less certain matches, as described earlier, then the proportion of ‘hidden’ recipients of Minimum Income Guarantee, among all apparent ENR pensioners, rises to 18%. This was taken as a potential maximum level of ‘hidden’ recipients; though the result was further adjusted in light of a significant undercount of claimant cases on the fortnightly Minimum Income Guarantee benefit extracts, between April 2002 and December 2002. The data deficiency meant that, if a claim had started and ended during the nine month period, it risked being undetected; therefore potential data matches could have been missed. The datamatching exercise also uncovered significant numbers of apparent non-entitled non-recipients of Minimum Income Guarantee on the two-weekly benefit records at the time of the FRS interview. The minimum and maximum percentage of ‘hidden’ recipient cases among both apparent ENRs and ineligible non-recipients of Minimum Income Guarantee by pensioner family types are shown in Table 5.4.

Table 5.4: Percentage of datamatched ENRs and non-entitled non-recipients of Minimum Income Guarantee that were ‘hidden’ recipients in 2002/2003

| | ‘Hidden’ recipients among datamatched ENRs | ‘Hidden’ recipients among datamatched non-entitled non-recipients |
|--------------------------|--|---|
| Pensioner Couples | (9 : 11)% | (0 : 1)% |
| Single Male Pensioners | (16 : 18) % | 2% |
| Single Female Pensioners | (21: 23)% | 3% |
| All Pensioners | (17 : 19)% | (1 : 2)% |

The above information was incorporated into the error analysis framework by considering the extent to which the numbers of ‘hidden’ recipients amongst the apparent pensioner ENRs and non-entitled non-recipients accounted for the ‘shortfall’ between the total number of recipients of Minimum Income Guarantee reported on the FRS and the count from DWP administrative records. The remainder of any ‘shortfall’ was attributed to grossing inaccuracies. Information on ‘hidden’ recipients was also used as evidence to assess modelling error.

Table 5.5 shows estimates of take-up of Minimum Income Guarantee before and after datamatching validation. There are significant differences between results; estimates post-datamatching are regarded as more accurate.

Table 5.5: Caseload take-up of Minimum Income Guarantee with/without incorporating results from datamatching against MIG/RP/WFP benefit records

| | Pensioner Couples | Pensioner Single Males | Pensioner Single Females | All Pensioners |
|--------------------------------------|-------------------|------------------------|--------------------------|----------------|
| 2002/2003 ‘standard’ estimate | 50% : 61% | 56% : 68% | 59% : 74% | 57% : 69% |
| 2002/2003 estimate post-datamatching | 55% : 70% | 60% : 71% | 65% : 77% | 63% : 74% |

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

By excluding Minimum Income Guarantee ‘hidden’ recipient cases from the initial estimate of the number of entitled non-recipients, the datamatching findings allowed estimates of the average and median weekly amounts unclaimed to be revised. Table 5.6 shows results on this basis. Estimates tend to be lower post-datamatching.

Table 5.6: Average and median weekly amounts unclaimed of Minimum Income Guarantee with/without incorporating results from datamatching against MIG/RP/WFP benefit records

| | Pensioner Couples | Pensioner Single Males | Pensioner Single Females | All Pensioners |
|---|-------------------|------------------------|--------------------------|----------------|
| <i>Average Weekly Amounts Unclaimed, £s</i> | | | | |
| 2002/2003 ‘standard’ estimate | 38.4 | 30.6 | 24.3 | 29.6 |
| 2002/2003 estimate post-datamatching | 36.5 | 29.3 | 23.9 | 28.8 |
| <i>Median Weekly Amounts Unclaimed, £s</i> | | | | |
| 2002/2003 ‘standard’ estimate | 22.6 | 18.7 | 18.6 | 19.6 |
| 2002/2003 estimate post-datamatching | 21.1 | 18.2 | 18.2 | 19.1 |

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

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 the FRS does not report them as actively seeking work. By not modelling the work search criteria we leave large numbers of benefit units modelled, initially, as ENRs of both IS and JSA (IB). To classify these benefit units as ENRs of **either IS or JSA (IB)**, we have used a series of rules.

Firstly, DWP administrative data shows that only very small numbers of lone parents and pensioners claim JSA (IB), so we have assumed that all lone parents and pensioners modelled initially as ENRs of both IS/MIG and JSA (IB), are classified as ENRs of IS/MIG only. Secondly, we classify all carers who are modelled initially as ENRs of both IS and JSA, as ENRs of IS only. Thirdly, the DWP 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.

Dealing with those awaiting the outcome of a claim for benefit

When a person claims benefit there is often a delay between the date of 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 initially classified as an ENR. This may be false in cases where the FRS respondent is awaiting the outcome of an eventually successful claim. In reality the respondent was actually in receipt in respect of the time of the FRS interview, and should not be classified as an ENR.

For Income Support, Minimum Income Guarantee, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (IB) 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 uncorrected estimate of take-up below its true level. By making allowance for pipeline cases we shift the take-up ranges higher.

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 Office of the Deputy Prime Minister) 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 the average of referred rents and rent reductions across all government office regions of England and Wales (excluding London and the South East) were taken 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) are restricted by law and these were isolated on the FRS using variables relating to tenure and the date the tenancy began.

Construction of take-up ranges

Introduction

Chapter 5 explains in broad terms how estimates of take-up are calculated. This Appendix goes into rather more detail. It begins by re-capping the sources of error that can affect the baseline estimates of take-up. It subsequently describes in some detail, how we estimate the size of these errors; describes the additional assumptions required to obtain unambiguous estimates of take-up; presents an example of how all this works in practice; and closes with some observations about the general effects of the different assumptions.

The five sources of error

Chapter 5 described the five potential sources of error that can introduce bias into estimates of take-up. To reiterate they are:

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

The formula used for calculating caseload take-up – first presented in Chapter 5 - shows that we take our count of benefit recipients direct from DWP administrative records; so it cannot be affected by any of the errors A to D listed above. The administrative counts will include some people who are not actually entitled to receive benefit, Non-entitled recipients (NERs), and thus this data can be affected by error E. However, this error is disregarded and not introduced into our results because the DWP definition of take-up allows for non-entitled benefit units to be included in the recipient count. So the accuracy of the recipient count we use is not affected by any of the errors listed above.

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

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

Estimating the size of the errors

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

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

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

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

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

Clues provided by ‘s’

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

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

If ‘s’ is, say, 10% then this could imply that there are substantial modelling errors. Alternatively, modelling errors might be small and the 10% value for ‘s’ might mainly reflect receipt of benefit by people not truly entitled. To get over this ambiguity we assume the first scenario when setting the upper limit for error C (and by assumption error A, when other evidence suggests the errors are equally likely). So the upper limit is set at s%. We set the lower limits for errors A and C to (s/3)%. We do not set the lower limits to zero because it seems unlikely that A and C could ever be zero.

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

The size of error E is determined in the same way as the size of errors A and C except that the upper limit is capped at 15% because it seems unlikely that the proportion of recipients not entitled to benefit could exceed 15%.

Clues provided by ‘t’

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

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

A further complication is that, even if we knew grossing was not a problem and we attributed a low value of ‘t’ to under-reporting, this under-reporting would not necessarily introduce a large error in the estimate of the number of ENRs. This is because benefit units not reporting receipt of benefit will only appear to be entitled if they also report too low a total income. If all that happens is they, for example, misreport their Minimum Income Guarantee as Retirement Pension, and so the correct total income is reported, they will not be falsely classified as ENRs.

In setting the upper limit for the size of error B we need to make an assumption about the percentage of under-reporting cases that will generate false ENRs. We do this by calculating the proportion of recipients on the FRS who are modelled to be entitled to more than they report receiving. This ‘over-modelling’ could be due to under-reporting of the Housing Benefit amount or our failure to accurately mimic the benefit rules, alternatively it could be due to under-reporting of total income. This last reason is the condition that needs to be in place alongside failure to report receipt, in order to generate a false ENR case. So the percentage of FRS recipients ‘over-modelled’ gives an indication of the upper limit of the proportion of benefit units failing to report receipt who would also be modelled as entitled and therefore falsely classified as ENRs. This is another example where our assumptions about errors do not go to the extreme bounds of plausibility.

Chapter 5 describes how we use information in the FRS about outstanding benefit claims to assess the extent to which under-reporting of benefits is due to people awaiting the outcome of a claim for benefit. In practice we express the number of cases awaiting the outcome of a claim and who appear to be entitled, as a percentage of the administrative data recipient count. We add this to the value of ‘t’ before working out the size of the upper limit of error B. This is done because these ‘pipeline cases’ are not genuine ENRs – they have already submitted a claim.

In setting the lower limit for error B we assume that there is no under-reporting of benefit except that represented by the ‘pipeline case’ percentage.

So a low value of ‘t’ may reflect some or all of the following:

- under-grossing – error D;
- under-reporting generating false ENRs – error B;
- under-reporting NOT generating false ENRs;

- pipeline cases generating false ENRs – error B.

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

For high values of ‘t’ we must also allow for the possibility that we have over-grossed the estimate of ENRs. For values of ‘t’ that are close to 100% we make the assumption that under-reporting, under-grossing and over-grossing all may have occurred. For values of ‘t’ that are significantly higher than 100% the assumptions are simplified; we assume no possibility of error B or of under-grossing. We also assume that there is no possibility of over-reporting benefit receipt.

Finally we check that the assumed level of error B is consistent with the uncorrected/crude measured level of take-up. Without this check it would not be possible to assume a level of error B which could occur given the estimated number of ENRs.

Tables 1 to 3 summarise the assumptions we make about the upper and lower limits of the sizes of errors B and D. Note that under-grossing assumptions are labelled D1 and over-grossing assumptions are labelled D2. Note also that outstanding claims cases are labelled as ‘pipeline %’.

Table 1: Values/ranges of error B

| | Error B | |
|--------------------------------------|--------------------|--|
| Size of pipeline adjusted ‘t’ | Lower limit | Upper limit |
| < 90% | Pipeline% | $(X*(100\text{-pipeline adjusted 't'})\%) + \text{pipeline}\%$ |
| 90% - 95% | Pipeline% | $(X*(100\text{-pipeline adjusted 't'})\%) + \text{pipeline}\%$ |
| 95% - 100% | Pipeline% | $(X*(100\text{-pipeline adjusted 't'})\%) + \text{pipeline}\%$ |
| 100% - 105% | Pipeline% | Pipeline% |
| 105% - 110% | Pipeline% | Pipeline% |
| 110% - 120% | Pipeline% | Pipeline% |
| 120% and over | Pipeline% | Pipeline% |

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

Table 2: Values/ranges of error D1

| Error D1 | | |
|--------------------------------------|---|---|
| Size of Pipeline adjusted 't' | Lower limit | Upper limit |
| < 90% | $Y\% * (100 - ('t' + B \text{ upper}))\%$ | $(100 - \text{pipeline adjusted 't'})\%$ |
| 90% - 95% | 0% | $(100 - \text{pipeline adjusted 't'})\%$ |
| 95% - 100% | 0% | 5% |
| 100% - 105% | 0% | 5% |
| 105% - 110% | 0% | $(100 - \text{pipeline adjusted 't'})\% + 10\%$ |
| 110% - 120% | 0% | 0% |
| 120% and over | 0% | 0% |

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

Table 3: Values/ranges of error D2

| Error D2 | | |
|--------------------------------------|---|---|
| Size of Pipeline adjusted 't' | Lower limit | Upper limit |
| < 90% | 0% | 0% |
| 90% - 95% | 0% | $(\text{pipeline adjusted 't'} - 100)\% + 10\%$ |
| 95% - 100% | 0% | 5% |
| 100% - 105% | 0% | 5% |
| 105% - 110% | 0% | $(\text{pipeline adjusted 't'} - 100)\%$ |
| 110% - 120% | $(\text{pipeline adjusted 't'} - 100)\% - 10\%$ | $(\text{pipeline adjusted 't'} - 100)\%$ |
| 120% and over | $(\text{pipeline adjusted 't'} - 100)\% - 10\%$ | $(\text{pipeline adjusted 't'} - 100)\%$ |

Asymmetry of errors A and C

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

The main analytical tool we use is a comparison of modelled entitlement to reported receipt for those benefit units reporting receipt on the FRS. We work out the proportion of cases we model as entitled to more than they report receiving – this is termed ‘over-modelling’. We also work out the proportion of cases we model as entitled to less than they report receiving – this is known as ‘under-modelling’. We assume that errors A and C are asymmetrical in size for any group where there is a greater than ten percentage points difference between ‘over-modelling’ and ‘under-modelling’. However we only adjust our assumptions for the upper and lower limits of A and C where the *s* statistic is above 10%, for it is only above this level that we believe asymmetry in the size of A and C will have a significant impact upon estimated take-up. In 2002/2003 ‘Single Males’ and ‘Single Females’ entitled to Jobseeker’s Allowance (IB) and ‘Pensioner Couples’ entitled to Minimum Income Guarantee satisfied these criteria, so A and C were assumed to be asymmetrical.

When a group does satisfy the criteria for assuming errors A and C are asymmetrical we adjust the upper and lower limit assumptions for A in the following way. If the evidence suggests that error A is less likely to occur than error C, we take the ratio of ‘over-modelling’ to ‘under-modelling’ and multiply it by the upper and lower limits of error A. If the evidence suggests that error C is less likely to occur than error A, we take the ratio of ‘over-modelling’ to ‘under-modelling’ and scale-up the upper and lower limits of error A.

The need for judgement

From the discussion so far it is clear that setting plausible ranges for errors A to E is a complex exercise that involves analytical judgement because we have no objective way of measuring the size of the errors.

Additional assumptions required

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

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

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

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

The final step is to bring all of these assumptions about errors and take-up rates in the presence of errors together in two combinations: one that gives us maximum take-up rate and one that gives us a minimum take-up rate. Table 4 summarises the appropriate combinations.

Table 4: Error combinations that yield the maximum and minimum limits for true take-up

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

One of the things to note from table 4 is that we combine the upper limit for error A with the upper limit for error C when solving for maximum true take-up and the lower limit for both A and C when solving for minimum true take-up. This may not seem intuitive, given the preceding discussion. However, we make an additional assumption that these are the only plausible combinations of these errors, modelling error is either very likely (upper limits for A and C), or not very likely (lower limits for A and C).

An example

The following section explains how the above methodology was used to produce a range of true take-up of Housing Benefit by lone parents in 2002/2003. Lone parent's take-up of Housing Benefit has been chosen as it is one of the more straightforward statistics to calculate, with relatively small potential for bias.

The initial step in estimating take-up is to collect the administrative data on the number of lone parent recipients and the average amount they receive. Next the Family Resources Survey (FRS) is analysed to give estimates of the number of entitled non-recipients (ENRs) and the average amount they leave unclaimed. We can then combine these figures to produce the baseline estimates of take-up. In 2002/2003 the baseline estimates for lone parent's take-up of Housing Benefit were as follows:

| Administrative data | Family Resources Survey data |
|---|----------------------------------|
| Recipients = 869,373 | Entitled non-recipients =73,911 |
| Average weekly receipt =£59.17 | Average weekly unclaimed =£38.20 |
| | Non-entitled recipients =38,330 |
| | Recipients =863,190 |
| Baseline caseload take-up = $869,373 / (869,373 + 73,911) = 92\%$ | |
| Baseline expenditure take-up = $(869,373 * £59.17) / (869,373 * £59.17 + 73,911 * £38.20) = 95\%$ | |

The next step is to assess the likely extent of the errors that might have distorted these baseline estimates. As explained earlier in this Appendix, this is done in part by examining the values of 's' and 't': where 's' is the proportion of grossed-up FRS recipients modelled as not entitled and 't' is the grossed-up number of FRS recipients divided by the count of recipients from the administrative data. For Housing Benefit of lone parents in 2002/2003, 's'=4.4% (38,330/863,190) and t=99.3% (863,190/869,373). In addition, the number of lone parents who had submitted a claim for Housing Benefit, were awaiting the outcome of this claim and appeared to be entitled at the time of their FRS interview (pipeline cases), represented 2.6% of the administrative data count of lone parent recipients.

It is now possible to assess the extent of errors A to E. Errors A and C are assumed to be symmetrical in size for lone parents since 's' is well below 10%. So the general assumptions of a lower limit of s/3% and an upper limit of s% can be followed for both A and C. Since 's' is only 4.4% this is going to give a small adjustment to the baseline estimate for modelling error.

The value of 's' provides clues to the size of error E. We need to make a judgement about the extent to which mistakes and fraud can lead to someone actually being not entitled at all when in receipt. An analysis of the percentage of FRS recipients 'over-modelled' and the percentage 'under-modelled' helps here. In 2002/2003 we 'over-modelled' 20% of lone parent recipients of Housing Benefit (remember this means we modelled them to be entitled to more than they were actually receiving) and we 'under-modelled' 12%. But 's' tells us that despite 'under-modelling' 12% of lone parent recipients of Housing Benefit, we only modelled slightly over 4% of them to be not entitled at all. This suggests that the proportion of recipients likely to be not entitled to benefit at all is quite low. So we make the judgement that in case of lone parents the upper and lower limits for error E should be set at the same levels as those for errors A and C.

The value of 't' gives us clues about the size of errors B and D, the under-reporting and grossing errors respectively. Tables 1-3 presented earlier on in the chapter show the general approach to setting the levels of errors B and D. For 2002/2003 there were a number of lone parents who had put in claims for Housing Benefit at the time of their FRS interview and were awaiting the outcome of those claims, known as pipeline cases, which amounted to 2.6% of the administrative data count. As the 't' statistic lies between 95% and 100%, we assume that for under-reporting error, error B, the bottom end of the error range emanates from pipeline cases, whilst $((X \text{ factor} * (100 - t)\%) + \text{pipeline}\%)$ calculates the top end. The X factor is the percentage of under-reporting cases that could generate false ENRs.

As the 't' stat lies between 95% and 100%, we must consider both the possibility of under-grossing and over-grossing of ENRs.

Table 2 shows the general rule we use for setting the upper and lower limits of error D1 (under-grossing). We assume that the lowest plausible assumption for error D1 is zero and that all of the difference between the FRS estimate of recipients and the administrative count of recipients is due to under-reporting. For the upper limit we assume that the error for under-grossing can be no larger than 5%, so the upper limit is set at 5%. There could be a chance that our initial count of ENRs has been over-grossed; we assume a maximum limit, given the size of t statistic, of 5%.

To summarise, the upper and lower limits of errors A to E for lone parents of Housing Benefit are:

| | Lower limit | Upper limit |
|-----------------|--------------------|--------------------|
| Error A | 1.5% | 4.4% |
| Error B | 2.6% | 2.7% |
| Error C | 1.5% | 4.4% |
| Error D1 | 0% | 5% |
| Error D2 | 0% | 5% |
| Error E | 1.5% | 4.4% |

The final step is to set levels for take-up by those affected by error A ('b') and take-up by those affected by error C ('a'). 'a' is set relative to the assumed level of true take-up and 'b' is set relative to 'a' such that 'b' is always smaller than 'a'. This is because we expect take-up by those truly not-entitled but modelled as entitled ('b') will be lower than take-up by those truly entitled but modelled as

not entitled ('a'). We set different levels for these assumptions depending upon whether we are calculating the upper end of the true take-up range or the lower end of the true take-up range.

With all the assumptions set it is then possible to calculate an adjusted caseload take-up rate using any combination of the assumptions together with the baseline take-up rate. Table 4 summarises the combinations of assumptions that give the lowest plausible estimate of true take-up and the highest plausible estimate of true take-up.

To produce the highest plausible estimate of true take-up, errors A, B, C and D2 are set to their upper limits; errors D1 and E are set to their lower limits; 'a' is set to its lower limit and 'b' to its upper limit. In practice this means setting A and C errors at 4.4%, error B at 2.7%, error D1 at 0%, error D2 at 5%, error E at 1.5%, 'a' at 95.7% and 'b' at 5% to give a plausible upper limit to take-up of 99%.

To produce the lowest plausible estimate of true take-up, errors A, B, C and D2 are set to their lower limits; errors D1 and E are set to their upper limits; 'a' is set to its upper limit and 'b' to its lower limit. In practice this means setting A and C errors at 1.5%, error B at 2.6%, error D1 at 5%, error D2 at 0%, error E at 4.4%, 'a' at 72% and 'b' at 40% to give a plausible lower limit to take-up of 94%.

Finally a range of true expenditure take-up estimates is calculated using the estimates of average claimed and unclaimed amounts, combined with the upper and lower bounds of true caseload take-up. This means the lower bound for true expenditure take-up is $94 * \text{£}59.17 / ((94 * \text{£}59.17) + (6 * \text{£}38.20))$ i.e. 96%; and the upper bound is $99 * \text{£}59.17 / ((99 * \text{£}59.17) + (1 * \text{£}38.20))$ i.e. 99%.

So the range of true caseload take-up of Housing Benefit for lone parents in 2002/2003 (before allowance for the effects of sampling error) is from 94% to 99%.

The relative importance of different assumptions

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

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

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

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

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

Income Related Benefits Estimates of Take-Up in 2002/2003

This publication contains information on the take-up of the main income-related benefits in Great Britain in 2002/2003: Income Support, Minimum Income Guarantee, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance.

The report brings together information from DWP benefit records and the Family Resources Survey to provide estimates of take-up among the private household population in Great Britain in 2002/2003.