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## Income Related Benefits Estimates of Take-Up in 2004/2005

The Department for Work and Pensions today published the latest estimates of the take-up of the main income related benefits in Great Britain: Income Support, Pension Credit, Housing Benefit, Council Tax Benefit and Jobseeker's Allowance (Income-Based). The publication provides estimates for 2004/2005 and re-presents estimates for 2003/2004.

Due to improvements in timeliness, and a wish for Pension Credit results to be published in a timelier manner, Pension Credit results were released in May 2006 as a set of stand-alone statistics. The content of that report is now repeated as a separate chapter in this publication in order to provide the most up-to-date take-up statistics together in one publication.

Take-up is measured in two ways: by caseload and by expenditure. **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. So take-up would reach 100 per cent only if all those eligible claimed, and *did so for the full duration of their entitlement*.

In addition to the main take-up statistics for all income related benefits, the latest publication includes some further analysis of the characteristics of those that did not take up their entitlements and presents patterns in take-up between 1997/1998 and 2004/2005.

All figures in this publication exclude the full-time self-employed and relate to private households only (see note 4 in Notes for Editors). Statements on changes in take-up refer to changes in take-up **as a percentage of entitlement**, not to changes in numbers of recipients or total amounts received.

**Key results are:**

### Income Support take-up (non-pensioners)

Total Income Support take-up in 2004/2005 was in the range 83 per cent to 94 per cent (please refer to notes 6 and 7 in Notes for Editors) by caseload and 90 per cent to 97 per cent by expenditure.

Overall, there was some evidence of a slight decrease in overall caseload take-up of Income Support between 2003/2004 and 2004/2005.

Total amount of Income Support left unclaimed was between #320 million and #1,130 million. The average number of people entitled to Income Support and yet not claiming it was between 0.14 million and 0.44 million. This compares to 2.15 million people that claimed #10,030 million worth of Income Support.

By family type, take-up of Income Support appeared to be lower amongst non-pensioners without children than for non-pensioners with children. Take-up of Income Support was probably highest among lone parents, at between 91 per cent and 100 per cent by caseload and between 96 per cent and 100 per cent by expenditure.

Patterns in take-up over time, since 1997/1998, suggest that there has been no clear change in overall take-up of Income Support among non-pensioners.

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**Next Publication:**

To be announced

## Housing Benefit take-up

Total Housing Benefit take-up in 2004/2005 was in the range 84 per cent to 91 per cent by caseload and 87 per cent to 93 per cent by expenditure. These estimates may understate take-up to some degree – see notes 6, 7 and 9 in Notes for Editors.

Overall, there was evidence of a slight fall in take-up of Housing Benefit between 2003/2004 and 2004/2005, though we cannot be certain.

Total amount of Housing Benefit left unclaimed by entitled people was between #800 million and #1,650 million. The average number of people leaving this benefit unclaimed was in the range of 0.40 million to 0.75 million. The total amount claimed was #11,310 million, claimed by 3.91 million recipients.

By family type, take-up of Housing Benefit was highest among lone parents: between 93 per cent and 100 per cent by caseload and 94 per cent and 100 per cent by expenditure.

Take-up showed a slight fall for pensioners and couples with children between 2003/2004 and 2004/2005. However, there was no clear change in take-up for lone parents and others over the same period.

By tenure type, though we cannot be certain, take-up among Local Authority tenants appears to have been higher than renters of private accommodation. Between 2003/2004 and 2004/2005 the percentage take-up showed no clear change by those in Local Authority accommodation. There was some evidence of a decrease in take-up by those in private rented accommodation over the same period.

Entitled Non-Recipients tended to have smaller entitlements to Housing Benefit than recipients. It appears that take-up of Housing Benefit was higher among those who claimed other income-related benefits.

Patterns in take-up over time, since 1997/1998, indicate that take-up of Housing Benefit fell significantly, by around seven percentage points. Among pensioners there was a fall in take-up of up to five percentage points, though among the subset that were entitled in 1997/1998 and would have been in 2004/2005 regardless of real increases in benefit rates, take-up changed little. Among non-pensioners, take-up fell since 1997/1998 by three to seven percentage points.

## Council Tax Benefit take-up

Total Council Tax Benefit take-up for 2004/2005 was in the range 62 per cent to 68 per cent by caseload and 65 per cent to 71 per cent by expenditure. These estimates may understate take-up to some degree – see notes 6, 7 and note 9 in Notes for Editors.

Overall, there was evidence of a small decrease in caseload take-up of Council Tax Benefit between 2003/2004 and 2004/2005.

Total amount of Council Tax Benefit left unclaimed by Entitled Non-Recipients was in the range #1,330 million to #1,800 million. The average number of people entitled yet not claiming was between 2.27 million and 2.95 million. There were 4.86 million recipients accounting for #3,280 million of Council Tax Benefit.

By family type, take-up of Council Tax Benefit appeared to be lowest among pensioners: 53 per cent to 58 per cent by caseload and 55 per cent to 62 per cent by expenditure; it was highest among lone parents: 87 per cent to 95 per cent by caseload and 89 per cent to 97 per cent by expenditure.

There appears to have been a small decrease in caseload take-up by pensioners between 2003/2004 and 2004/2005. There was no clear evidence of any change in take-up of the non-pensioner family groups over the same period.

By tenure type, take-up was highest among Local Authority tenants: 87 per cent to 93 per cent by caseload and 88 per cent to 94 per cent by expenditure. Take-up was lowest among owner occupiers: 36 per cent to 41 per cent by caseload and 40 per cent to 47 per cent by expenditure.

The weekly entitlements of Council Tax Benefit were lower than those of other income-related benefits, the average weekly unclaimed amount being #11.50. It appears that, among renters, recipients of Council Tax Benefit were more likely to receive Housing Benefit than were Entitled Non-Recipients of Council Tax Benefit.

Patterns in take-up over time show there was a fall in the overall rate of take-up of at least eight, but possibly over ten, percentage points between 1997/1998 and 2004/2005. Among pensioners there was a downward trend in take-up of 11 or more percentage points since 1997/1998. Among only those pensioners who would have been entitled if Council Tax Benefit rates had not been increased in real terms, between 1997/1998 and 2004/2005, take-up fell by a lesser extent, of up to five percentage points. There was a fall in take-up of four to eight percentage points among non-pensioners.

## **Jobseeker's Allowance (Income-Based) take-up**

Total Jobseeker's Allowance (Income-Based) take-up in 2004/2005 was between 50 per cent and 59 per cent by caseload and between 55 per cent and 66 per cent by expenditure - see notes 6 and 7 in Notes for Editors.

Overall, there was some evidence of a small decrease in take-up between 2003/2004 and 2004/2005. Take-up appeared to be lowest for single females: between 41 per cent and 49 per cent by caseload and between 39 per cent and 57 per cent by expenditure.

Total amount of Jobseeker's Allowance (Income-Based) left unclaimed in 2004/2005 was between #870 million and #1,380 million. The average number of people entitled yet not claiming was in the range 0.36 million to 0.53 million. There were 0.53 million recipients of Jobseeker's Allowance (Income-Based), accounting for #1,670 million of benefit.

By family type, around half of those entitled to but not claiming Jobseeker's Allowance (Income-Based) were single people under the age of 25. Among single Entitled Non-Recipients, 76 per cent of males and 66 per cent of females were young (under 25) and living in someone else's household. Further analysis of these showed nearly four-fifths of single female and male Entitled Non-Recipients were young people living with their parents. Considering all Entitled Non-Recipients, around two-thirds were in households in the bottom fifth of the income distribution.

Patterns in take-up over time, since 1997/1998, show that there has been a trend fall in the overall take-up of Jobseeker's Allowance (IB) of around 12 percentage points.

## **Pension Credit**

Results for Pension Credit, which were published on 6 May 2006 can be found on-line at: <http://www.dwp.gov.uk/asd/irb.asp>. The National Statistics Press Notice for Pension Credit is available to view at the following URL: <http://www.dwp.gov.uk/mediacentre/pressreleases/2006/may/ifd110506benefits.pdf>

## **Overall take-up**

Taking all five income-related benefits together, there was between #4,770 million and #8,040 million left unclaimed in 2004/2005; this compared to #31,740 million that was claimed and represents take-up by expenditure of between about 80 per cent and 87 per cent. An approximate aggregate estimate of take-up by caseload would be between 69 per cent and 76 per cent. These figures include Pension Credit, the results of which were published on 6 May 2006.

In 2003/2004, there was between #4,200 million and #7,335 million left unclaimed; this compared to #29,545 million that was claimed and represented take-up by expenditure of between about 80 per cent and 88 per cent. An approximate aggregate estimate of take-up by caseload would be between 70 per cent and 77 per cent. These figures included both Minimum Income Guarantee and Pension Credit. Pension Credit replaced the Minimum Income Guarantee in October 2003.

## Notes for editors

1. "Income Related Benefits Estimates of Take-Up in 2004/2005" is a National Statistics publication and is produced to high professional standards outlined in the National Statistics Code of Practice. National Statistics publications undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. The full National Statistics Press Notice which includes tables containing results featured in the publication can be accessed at the DWP website: [http://www.dwp.gov.uk/mediacentre/press\\_release\\_archive\\_index.asp](http://www.dwp.gov.uk/mediacentre/press_release_archive_index.asp)
2. '#' is equivalent to pounds in the press notice.
3. "Income Related Benefits Estimates of Take-Up in 2004/2005" is a National Statistics publication, released by the Department for Work and Pensions (DWP): ISBN 1-84695-579-3, ISBN (13) 978-1-84695-579-2. Questions about the figures can be referred to Carly Gray (020 7962 8222) of the DWP Incomes Monitoring division, Department for Work and Pensions, Room 452, The Adelphi, 1-11 John Adam Street, London WC2N 6HT. Requests for copies of the publication should be directed to this address. Alternatively, a copy of the publication in PDF format is available via the DWP internet site: <http://www.dwp.gov.uk/asd/irb.asp>. Questions about DWP policy should be referred to DWP press office (020 7238 0866).
4. These estimates only cover people living in private households – i.e. they do not cover people in residential care and nursing homes nor those in bed and breakfast accommodation – because the Family Resources Survey (the main source of information for estimating Entitled Non-Recipients) is a survey of private households only. Also, the estimates do not cover full time self-employed people because information from the survey on the incomes of these people is not sufficient for an accurate assessment of their entitlement to income-related benefits.
5. Counts of recipients and Entitled Non-Recipients refer to numbers of benefit units; a benefit unit is a single adult or couple, together with any dependent children. The data used to estimate take-up comes from two main sources. Counts of the numbers of benefit recipients are taken from the DWP's own administrative records. The numbers of benefit units not taking up their entitlement to benefit are estimated using the sample of households from the Family Resources Survey – an annual survey conducted for the DWP which achieves a response from about 28 thousand households in the UK (26 thousand in Great Britain). Estimates relate to financial years, i.e. years from April to the following March and to the private household (see note 4) population in Great Britain.
6. Estimates of take-up are presented as ranges within which true take-up is expected to lie. These 'ranges of true take-up' account for biases that may be present in estimates from data that is less than perfect. Initial estimates have, as far as possible, been adjusted for possible biases. The ranges also account for the effects of sampling variation or sampling error (see note 10).
7. Estimates of the total amount of benefit claimed and the total number of benefit recipients exclude a number of cases where claims have been processed but not yet settled. Some of these claims will result in awards of benefit. It is believed that estimates of the number of recipients of all income-related benefits, particularly Housing Benefit and Council Tax Benefit, are understated because of a backlog of claims waiting to be processed. For Pension Credit, we have been able to identify the number of pensioners who received their award in 2005/2006, but received a backdated amount as a lump sum in respect of 2004/2005, and have amended both our Recipient count and the number of Entitled Non-Recipients accordingly. For Housing Benefit and Council Tax Benefit, no such data exists to allow us to adjust our Recipient and Entitled Non-Recipient counts, therefore our Housing Benefit and Council Tax Benefit take-up estimates may be further depressed.
8. The DWP research report No: 197 "Entitled but not claiming? Pensioners, the Minimum Income Guarantee and Pension Credit" provides evidence of significant under-reporting of capital holdings by pensioners responding to the Family Resources Survey (FRS). Estimates of Pension Credit have been adjusted to take account of this potentially large source of bias. A summary of the report can be found at: <http://www.dwp.gov.uk/asd/asd5/summ2003-2004/197summ.pdf>. Furthermore, there is evidence to suggest that some pensioner respondents to the Family Resources Survey may not correctly identify which benefits they are actually receiving, resulting in an increase in the number of apparent Entitled Non-Recipients of Pension Credit. An exercise examining such responses revealed a substantial number of 'hidden' Pension Credit recipients; the estimates of pensioner take-up for 2004/2005 incorporate the results of this investigation.
9. It is possible that the problem of under-reporting of capital by pensioners (see note 8) may extend to Housing Benefit and Council Tax Benefit. If so, the estimates of take-up for Housing Benefit and Council Tax Benefit would be understated. However, there is currently no information to ascertain the extent of this effect. Therefore, no adjustment for capital misreporting has been performed for these benefits.
10. Sampling variation or sampling error is the uncertainty in an estimate due to taking a random sample of the population that may not reflect the characteristics of the whole population. The Family Resources Survey is a random sample from the private household population which means estimates of take-up are affected by sampling variation.

11. Care should be taken when interpreting changes in take-up over time because it is not possible to identify a single estimate of true take-up. Year on year changes in the ranges do not necessarily mean that the true level of take-up has changed.

12. To allow reliable estimates to be produced, figures for 'couples with children' and 'couples' relating to Income Support and 'couples with children' for Jobseeker's Allowance have been based on a combination of two years' data.

13. The DWP research report "Encouraging take-up: awareness of and attitudes to Pension Credit" identifies reasons as to why some pensioners were not taking up Pension Credit and also identifies steps DWP could take to remove these barriers. A summary of the report can be found at: <http://www.dwp.gov.uk/asd/asd5/summ2005-2006/234summ.pdf>

14. More recent qualitative research, published in 2006 and carried out by IFF Research Ltd, has provided further insight into the barriers that exist to claiming Pension Credit. The report can be found at the following: <http://www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep336.pdf>

15. Due to Pension Credit replacing Minimum Income Guarantee mid-way through 2003/2004, results for Pension Credit in 2003/2004 are based on only six months' data and should be treated with caution; as a result of being based on only six months' data, the figures have been annualised to make it easier to compare results across different years and benefits. Therefore, estimates of amounts unclaimed do not represent the actual amounts of unpaid Pension Credit over 2003/2004.

16. While estimates of the total number of Entitled Non-Recipients (ENRs) seek to allow for biases (see note 6), it is not possible to correct the 'characteristics' figures. In case of Pension Credit we have been able to account for those cases modelled to be ENRs, but who are found to be 'hidden recipients' by a datamatching exercise between the FRS and DWP benefit records (see note 8). In practice however, a significant proportion of those appearing to be ENRs will not be true ENRs and some who are truly ENRs will not have been modelled as such. Therefore, estimates of the characteristics of Entitled Non-Recipients should be treated with some caution.

17. The rounding conventions used in the publication are as follows: average amounts are rounded to the nearest ten pence; amounts claimed and unclaimed are rounded to the nearest #10 million; caseload figures are rounded to the nearest ten thousand; and take-up percentages are rounded to the nearest percentage point.