



## Trades Union Congress

Andrew Dilnot CBE  
Chair of the UK Statistics Authority  
UK Statistics Authority  
1 Drummond Gate  
London  
SW1V 2QQ

date: 15 April 2013  
contact: Nicola Smith  
direct line:  
email:

Dear Andrew Dilnot

### **Re: DWP's misrepresentation of data analysis about the benefit cap**

Further to my email of last Friday, I am writing to you to complain about DWP's misrepresentation of recent statistical analyses in a press statement the Department provided to the Press Association (PA) about the benefits cap.

Headed 'benefits cap an incentive to work' the PA story (which I have enclosed) sets out that the number of households expected to be affected by the cap has fallen by a quarter. The story states that 'officials suggested 8,000 people have found jobs while others have moved to cheaper properties' and quotes the Secretary of State for Work and Pensions saying that '...even before the cap comes in we are seeing thousands of people seeking help and moving off benefits.'

The statements from officials and the Secretary of State with respect to changes in the total number of claimants estimated to be affected by the cap are derived from an ad hoc analysis on 'households identified as potentially impacted by the benefit cap', which can be downloaded here: [http://statistics.dwp.gov.uk/asd/asd1/adhoc\\_analysis/2013/Ben\\_Cap\\_Updated\\_Estimate.pdf](http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2013/Ben_Cap_Updated_Estimate.pdf). The analysis states that:

"An Impact Assessment was published 16th July 2012 within which the estimated number of households that will be impacted by the cap in 2013/14 was 56,000. Since this publication the disregard for housing costs of Supported Exempt Accommodation was announced in the Autumn Statement. There have been a number of further policy changes, such as changes to benefit uprating and methodological improvements that have also reduced this estimate. In addition to this there have been underlying caseload changes, due to normal benefit caseload churn, reducing those potentially in scope for the cap."

It also explicitly states that "once policy changes and methodological improvements have been accounted for this figure has been calculated in a consistent way as that in the impact assessment, both assume no behavioural change."

Congress House, Great Russell Street, London WC1B 3LS  
telephone: 020 7636 4030 fax: 020 7636 0632 [www.tuc.org.uk](http://www.tuc.org.uk)

General Secretary: Frances O'Grady Assistant General Secretary: Kay Carberry  
Assistant General Secretary: Paul Nowak



The statements from officials and the Secretary of State with respect to the 8,000 people who have moved into work have come from a further ad hoc analysis which is published here: <http://www.dwp.gov.uk/docs/benefit-cap-statistical-data.pdf>. This analysis considers the number of claimants who could potentially have been affected by the benefit cap who have been supported into work by Jobcentre Plus since claimants were notified about the cap. It does not consider net flows, only flows off JSA and into work. A note at the end of the analysis states that:

“The figures for those claimants moving into work cover all of those who were identified as potentially being affected by the benefit cap who entered work. It is not intended to show the additional numbers entering work as a direct result of the contact.”

The PA alert suggests that there have been a number of inaccuracies in official briefing on these two releases:

1. Briefing has suggested that the reduction in the estimated number of claimants who will be affected by the cap is directly due to 8,000 people ‘seeking help and moving off benefits’, while the ad hoc analysis which documents the 56,000 to 40,000 reduction in estimated affected claimants states that this is not the case.
2. Briefing has suggested that 8,000 more people may have moved house, while the analysis states that changes in claimant eligibility, modelling changes and normal claimant churn are responsible for the entire 16,000 change in the estimated number of people affected.
3. Briefing and statements from the Secretary of State suggest that the data are proof of the benefits cap having behavioural effects, when both analyses state clearly that the data do not demonstrate this point.

DWP’s briefing on these statistics has led to a large number of factually incorrect stories being published, for example here: <http://www.dailymail.co.uk/news/article-2308159/16-000-fewer-households-affected-benefits-cap-500-half-jobs-rest-moved-cheaper-houses.html>. The Secretary of State has also previously referenced the figures, prior to publication, to claim that the benefit cap is leading to behavioural change, leading to the following report: <http://www.dailymail.co.uk/news/article-2174059/Benefits-cap-pushing-thousands-jobless-work-says-Duncan-Smith.html>.

It seems to the TUC that the content of the analysis and recent statements made by officials and the Secretary of State are at odds. While the analysis explicitly states that the reduction in the number of households who are estimated to be subject to the benefit cap is not the result of claimants changing their behaviour, the DWP’s response to the figures continues to imply that it is.

I would therefore appreciate it if you could investigate whether the DWP has accurately represented these statistics, or whether you share our view that in this instance the Department’s public statements and briefing contradict the findings of their published analysis.

I very much look forward to hearing from you.

Yours Sincerely



Nicola Smith  
Head of Economic and Social Affairs, TUC.

## BENEFITS CAP 'AN INCENTIVE TO WORK'

POLITICS Cap

Apr 12, 2013 2:57:58 PM

By James Tapsfield, Press Association Political Correspondent

Page 1

The number of households expected to be hit by the new GBP500 a week benefits cap has fallen by a quarter, the Government said today.

Initial estimates had suggested 56,000 would be affected by the controversial limit, losing an average of around GBP90 per week.

However, the forecast has now been cut to 40,000. Officials suggested 8,000 people have found jobs while others have moved to cheaper properties.

Work and Pensions Secretary Iain Duncan Smith said: "The Benefit Cap sets a clear limit for how much support the welfare state will provide - the average wage for working households.

"But it's also a strong incentive for people to move into work and even before the cap comes in we are seeing thousands of people seeking help and moving off benefits.

"We have a very clear message: we will provide support to those who need it, but the days of outrageous claims giving people incomes far above those of working families are over."

The benefit cap is due to be introduced in four London boroughs - Croydon, Bromley, Haringey and Enfield - from April 15.

National implementation will begin in July, with the policy fully in force by the end of September.

The cap was originally expected to save GBP275 million a year from the welfare bill.



## **Ad hoc statistics on Households identified as potentially impacted by the benefit cap.**

**April 2013**

### **Background**

From 15 April 2013 the Government will commence introduction of a cap of £500 per week (£350 for single people) on the total amount of benefit that working-age people can receive so that, broadly, households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage for working households.

An Impact Assessment was published 16<sup>th</sup> July 2012 within which the estimated number of households that will be impacted by the cap in 2013/14 was 56,000. Since this publication the disregard for housing costs of Supported Exempt Accommodation was announced in the Autumn Statement. There have been a number of further policy changes, such as changes to benefit uprating and methodological improvements that have also reduced this estimate. In addition to this there have been underlying caseload changes, due to normal benefit caseload churn, reducing those potentially in scope for the cap.

A scan of household benefits in December 2012, a comparable time period to the data used for the July Impact Assessment, estimates the number of households that will be impacted is now around 40,000.

### **Notes**

- 1) This data is taken from benefit payment databases and is adjusted to incorporate policy changes that will affect the number of households potentially capped.
- 2) The data represents benefit payment as at December 2012, one year later than the data used for the July 2012 Impact assessment. It is an estimate of average numbers of households capped; the actual number capped at any one point, and total numbers capped during a year, will vary over time.
- 3) Once policy changes and methodological improvements have been accounted for this figure has been calculated in a consistent way as that in the impact assessment, both assume no behavioural change.
- 4) This estimate was the basis for the updated AME forecasts published by HMT alongside the budget 2013.

Press enquiries should be directed to the Department for Work and Pensions  
press office:

Media Enquiries: 020 3267 5129

Out of hours: 020 3267 5144

Website: [www.dwp.gov.uk](http://www.dwp.gov.uk)

Follow us on Twitter: [www.twitter.com/dwppressoffice](https://twitter.com/dwppressoffice)

## **Ad hoc statistics on Jobcentre Plus Activity regarding claimants who have been identified as potentially impacted by the benefit cap.**

**April 2013**

### **Background**

The Government has introduced a cap on the total amount of benefit that working-age people can receive so that, broadly, households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage for working households.

The benefit cap will apply from 15 April 2013 in Bromley, Croydon, Enfield and Haringey Local Authorities. All remaining Local Authorities will apply the cap from 15 July 2013 and as such all households identified as being appropriate to be capped will, in line with existing plans, have been capped by the end of September 2013.

Since April 2012 Jobcentre Plus has been supporting claimants potentially affected by the benefit cap to ensure they receive the help they need to move closer to the labour market where possible, as moving into employment is the best route out of poverty.

Jobcentre Plus collates data on the engagement activity it undertakes with claimants who may be affected by the benefit cap. These capture a number of activities including: the number of outbound calls made to such claimants offering support, the number of claimants accepting employment support and the number of claimants moving into employment.

### **Results**

Since claimants were notified of the benefit cap:

- Jobcentre Plus has helped around 8,000 claimants identified as potentially capped households into work;
- Approximately 25,000 people have now accepted the offer of employment support;
- Jobcentre Plus has completed around 82,000 outbound calls to claimants to offer them support.

The following table provides a national (England, Scotland and Wales) breakdown of engagement:

Group	Total
Number of outbound calls	82,000
Number of claimants accepting employment support *	25,000
Number of claimants participating in employment support **	17,000
Number of claimants into work #	8,000

# Taken from LMS data feed 29.03.2013

\* Claimants who have requested an intervention with a Jobcentre Plus Personal Adviser

\*\* Includes claimants referred to the Work Programme, other provision and additional Jobcentre Plus Personal Adviser support

## Notes

- 1) This data is taken from LMS pilot markers captured as of 29 March 2013. Figures are rounded to the nearest 1000.
- 2) It covers the time period May 2012 to end March 2013.
- 3) These figures have been taken from a DWP management information system and have not been subject to the validation and quality assurance checks that would be associated with National Statistics.
- 4) People identified as potentially impacted by the cap are claimants:
  - who at a time were in receipt of more than the cap level, or,
  - who we anticipate may be over the cap in April 2013.
- 5) The figures for those claimants moving into work cover all of those who were identified as potentially being affected by the benefit cap who entered work. It is not intended to show the *additional* numbers entering work as a direct result of the contact.

## Press enquiries

Press enquiries should be directed to the Department for Work and Pensions press office:

Media Enquiries: 0203 267 5129

Out of hours: 0203 267 5144

Website: [www.dwp.gov.uk](http://www.dwp.gov.uk)

Follow us on Twitter: [www.twitter.com/dwppressoffice](https://twitter.com/dwppressoffice)