



BENEFIT CHANGES AND THEIR ESTIMATED IMPACT

This table lists the benefit changes announced in the last five years. It is not comprehensive but captures much of what has or will happen. The changes are split into four categories:

- Sickness or disability related benefits (including Employment Support Allowance and Disability Living Allowance)
- Housing benefits and council tax benefit
- Tax credits
- Other (including child benefit, sure start, the social fund, overall benefit cap and benefit uprating)

The table specifies what the change is and, where possible, how many people are expected to be affected and how much the average loss is likely to be. The table includes links to sources for further information. The information here is correct at the time of writing (April 2013) but may of course change.

Time	Change	Estimate of numbers affected	Average loss to those affected	Source
Sickness or disability related benefits				
Oct-08	Employment Support Allowance (ESA) is introduced. It replaces both Incapacity Benefit, and Income Support for people judged incapable of work. New claimants now apply for ESA. Those already claiming Incapacity Benefit or incapacity related Income Support are being reassessed for eligibility for ESA between February 2011 and March 2014.	Around 1.5 million existing incapacity benefits claimants are expected to go through reassessment by 2014. Of these, approximately one-quarter are expected to be assessed fit for work and move off incapacity benefits.	Not applicable	Parliamentary briefing
May-12	A time limit for claiming contribution based ESA of one year is introduced. It only applies to those in the 'work related activity group' of ESA i.e. claimants who are entitled to ESA but are identified as capable of taking part in some form of work-related activity.	The policy is expected to affect around 700,000 people in total by 2015/16. These people will lose their entitlement to contributory ESA.	On average the net income of all those affected is estimated to be reduced by around £36 per week. This average includes those that are not expected to lose anything as they become entitled to means-tested ESA.	DWP impact assessment
2013	Disability Living Allowance (DLA) for working-age people is replaced by Personal Independence Payment (PIP). Migration of existing DLA cases will be completed by the end of 2017.	It is expected that there will be around 607,000 fewer individuals in receipt of PIP compared to what would have happened under DLA by May 2018. 450,000 of those currently on DLA are expected to lose entitlement.	In August 2012, the average value of DLA claimed in Great Britain was £78.10 per week.	DWP reassessments

Time	Change	Estimate of numbers affected	Average loss to those affected	Source
Housing benefits and Council tax benefit				
Apr-11	The maximum amount of Local Housing Allowance (LHA) available is capped at £250 per week for a one bedroom rising to £400 for a four bedroom property. Households are no longer entitled to claim for anything above the four bedroom rate. The cap applies to existing and new claimants.	21,000 households in Great Britain are expected to have their LHA benefit cut (around 2 per cent of LHA claimants). 80 per cent of the total affected live in London.	It's estimated that those affected will lose on average £74 per week.	Table 20 : Impact of the measure for various groups
Apr-11	Caps on the amount of Local Housing Allowance (LHA) available are set at the 30 th percentile of local private rent levels (i.e. 30 per cent of private rent properties in each area charge rents that are below the LHA cap and 70 per cent charge more.).	775,000 households in Great Britain are expected to have their LHA benefit cut (around 83 per cent of LHA claimants).	It's estimated that those affected will lose on average £9 per week. Larger households are will experience greater losses.	Table 16 : Impact of the measure for various groups
April-11 through next 3 years	A person claiming means-tested benefits that cover housing costs has the income of the non-dependent members of their household (e.g. adult children) taken into account. The contributions that the non-dependents are expected to make are being up-rated in three stages over three years. The benefit amounts for some claimants will be reduced if it is assessed that the loss can be met by the non-dependent.	300,000 Housing Benefit and Council Tax Benefit customers have their benefit awards adjusted to account for non-dependants in their home. Around 350,000 non-dependants live in households liable for such deductions.	Unknown	DWP impact assessment
Jan-12	Single claimants of Local Housing Allowance (LHA) aged under 35 are only entitled to the <i>single room rate</i> rather than <i>one bedroom property rate</i> (an increase in the age from under 25).	Estimates based on the March 2010 LHA caseload, suggest that 62,500 people would lose out. This amounted to around 7% of the LHA caseload, or 20% of the 1-bedroom LHA caseload.	Those affected are expected to receive, on average, £41 per week less benefit than under the current rules.	DWP impact assessment
Apr-13	Working-age claimants of Housing Benefit (HB) in the social rented sector that are under-occupying their homes have their benefit cut to an amount that reflects the size of their household rather than the size of their home.	It is expected to affect an estimated 660,000 Housing Benefit claimants living in the social rented sector in GB at the time of its introduction in 2013/14.	Average loss for local authority tenants is expected to be £13 per week in 2013/14, compared to £16 per week for housing association tenants.	DWP impact assessment
Apr-13	Local Housing Allowance rates are increased in-line with the Consumer Prices Index rather than in-line with market rents.	It is estimated that there will be around 1.4 million claimants under the new Local Housing Allowance arrangements in 2013.	It is expected that LHA claimants will experience a notional loss in their benefit based on historical trends in rent growth, and forecasts of the Consumer Price Index.	DWP impact assessment
Apr-13	Council Tax Support is replaced by locally devised Council Tax Support schemes. Pensioners are protected from the change.	An estimated 2.4 million Council Tax Benefit recipients will lose out.	The average amount extra in council tax is £138 in 2013-14, though one million face a less than £100 increase and 150,000 face a £300 increase.	NPI research for JRF

Time	Change	Estimate of numbers affected	Average loss to those affected	Source
Tax credits				
Apr-11	Once income increases above a given threshold entitlement to tax credits is gradually withdrawn. This 'taper' for tax credits has been increased from 39p for every extra £1 in income to 41p for very £1.	On 1 April 2011, about 3.5 million in-work families were receiving tax credits and had incomes above the tax credit <i>first income threshold</i> (£6,420 per year) and are likely to be subject to the taper.	Unknown	NPI estimate based on HMRC statistics
Apr-11	The percentage of childcare costs eligible to be paid through tax credits is reduced from 80% to 70%.	On 1 April 2011, 490,000 in work families were benefiting from the childcare element of working tax credit. In 2012 the number was down to 429,800. This was the first time ever since tax credits were introduced in 2003 that this number had fallen.	The maximum loss that a family with more than 1 child could face is around £30pw (or £1,560 per year). On average the amount of childcare costs covered by tax credits was £69 per week in April 2011; it was £59 per week in December 2012.	NPI estimate based on HMRC statistics
Apr-11	The <i>baby element</i> of child tax credit is abolished.	470,000 families were claiming this element on 1st April 2011.	The baby element amounted to £10.50 per week (£545 annually)	NPI estimate based on HMRC statistics
Apr-11	The <i>basic</i> and <i>30 hour element</i> of Working Tax Credit (WTC) are frozen for three years.	Around 2.4 million families were receiving working tax credit in December 2012, and 2.3m receiving the 30 hours element.	In 2011, the basic rate was £1,920 per year and the 30 hour element was £790. Had these increased by CPI, they would be £208 and £88 higher respectively this year (2013-14).	NPI estimate based on HMRC statistics
Apr-12	Couples with children have to work 24 hours a week between them, (with one working at least 16) to qualify for WTC. Previously only one adult had to work at least 16 hours per week to qualify.	A total of 212,000 families containing 470,000 children are affected. In a separate PQ, it was suggested that only 5% of those affected were able to get extra hours while almost all the remainder lost out.	Maximum loss could be around £75 per week (£3900 annually)	PQ answer 88172
Apr-12	Higher earners stop getting Child Tax Credit (CTC) where earnings/joint earnings reach £41,300 (reduced from £50,000).	On April 1 2011, there were around 1.5 million in-work families receiving CTC at or below the family element. By April 1 2012, this number reduced to 1 million.	The family element of CTC amounts to £10.50 per week (£545 annually).	NPI estimate based on HMRC statistics

Benefit changes and their estimated impact

Time	Change	Estimate of numbers affected	Average loss to those affected	Source
Other				
Apr-11	Sure Start maternity grant of £500 is restricted to first child	Around 150,000 families a year will no longer be eligible for when their second or a subsequent child is born.	£500 one off grant no longer available.	DWP impact assessment
May-12	Beginning in November 2008, the age of the claimant's youngest child for the purposes of qualifying as a lone parent for Income Support decreased from 16 to 12 then to 10 then finally to 7 in October 2010. From May 12, this has reduced further so that a lone parent who is aged 18 or over will only be able satisfy this condition where their youngest child is aged less than 5. Workless lone parents will instead have to apply for job-seekers allowance.	In August 2012 over 150,000 lone parents with children aged 5+ were claiming Income Support.	Not applicable	DWP benefit claimant data
Jan-13	Child Benefit is reduced for households where the highest earner's income exceeds £50,000, and will fall to zero for those with over £60,000.	Around 1.2 million families will see some reduction in their child benefit payments. Around 840,000 of those households will lose all of the benefit. The other 360,000 will lose a portion of the benefit through the new tapering rule.	The value of child benefit in 2012 was £20.30 per week for one child and £13.40 for each additional child.	HMRC impact assessment
Apr-13	Abolition of the discretionary Social Fund, which includes Community Care Grants and Crisis Loans.	In 2009/10 over 263,000 non-repayable Community Care Grants were awarded, with the average initial award being £437. In 2009/10, around 2.7 million Crisis Loans were awarded to help people deal with emergencies.	In 2009/10, the average award was £82.	DWP equality impact assessment
Apr-13	For three years (2013-14, 2014-15, 2015-16) certain benefits are uprated by 1% a year, rather than CPI.	9.6 million Households are to be affected by lower than inflation increases.	The average loss is £3 per week.	DWP impact assessment
2013	No working age family can receive more than £500 per week in benefits (or £350 for single adult households).	40,000 households are expected to be affected.	The average loss for those affected will be of £93 per week.	Original DWP assessment Updated estimates

This table is an updated version of one that appeared in the Appendix of Monitoring Poverty and Social Exclusion in the UK 2012, compiled by NPI with funding from JRF.