
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

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Dear Jonathan

STATISTICS ON HOUSING BENEFIT AND THE BENEFIT CAP

You asked for the Authority's view of the title of a press release published by the Department for Work and Pensions on 6 November 2014 that "More than 12,000 households have made the choice to move into work or stop claiming Housing Benefit because of the benefit cap".¹

I attach a note prepared by Ed Humpherson, the Authority's Director General for Regulation which concludes that while it is welcome that DWP is drawing on post-implementation research to consider the impact of its policies, and should continue to do so, the Department should exercise caution as to how far it uses such research to support numerical statements about the extent to which policies are having particular impacts. As more evidence and research emerges, the Department may be able to refine further its analysis of the question of causality. Indeed, I note that on 15 December, the Department published further research and evaluation of the impact of the benefit cap, which may shed further light on these questions.

I am copying this letter to Robert Devereux, Permanent Secretary to the Department for Work and Pensions.

Yours sincerely



Sir Andrew Dilnot CBE

¹ <https://www.gov.uk/government/news/benefit-cap-thousands-move-into-work>

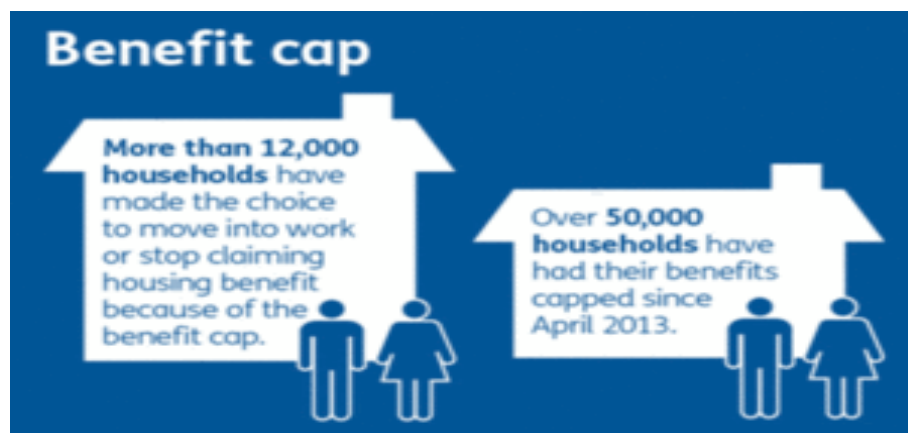
ANNEX

A press release published by the Department for Work and Pensions (DWP) on 6 November refers to DWP's official statistics publication² 'Benefit cap: number of households capped to August 2014' which was also published on 6 November. Table D1 ("Households no longer subject to the cap as at August 2014") shows that 9,624 households were no longer capped because they had an open Working Tax Credit claim, whilst 2,733 households were no longer claiming Housing Benefit. DWP has confirmed that this is the basis of the reference to "more than 12,000 households...".

The attribution of causality – that the 12,000 households acted *because* of the benefit cap – is more complicated. DWP referred us to an April 2014 report³ describing research conducted by Ipsos MORI, and DWP statisticians have told us that "In our view, the post implementation effects research does give some indication that claimants have changed their behaviours *as a result* of having a cap apply. Future releases of the longitudinal research may produce more evidence to support this judgement".

The Authority welcomes the use of statistical research into post-implementation effects of policies as one of the components of good practice in policy-making. In this case, however, the available numerical evidence does not demonstrate a particularly strong causal link between the benefit cap and the decisions made by individuals about moving into work. In particular, the research related to an earlier period (those affected by the benefit cap identified from the October 2013 Single Housing Benefit Extract, a sample of whom were subsequently interviewed during February 2014). The research also focused predominantly on people still affected by the benefit cap, rather than those no longer affected by it. Of the 12% of those surveyed who said they were no longer affected by the benefit cap, 41% said that this was because they or someone in their household had found a job. We conclude that it would be reasonable to argue that these findings are *consistent with* some people moving into work because of the benefit cap, but they do not demonstrate clear causality. As a result, our view is it might have been more appropriate to adopt more cautious wording in the press statement.

We also note that the graphic in the press statement could have been presented more clearly. The graphic showed the number of households who have moved into work or stopped claiming housing benefit because of the benefit cap compared to the number who have had been subject to the benefit cap



² <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2014>

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/303102/benefit-cap-headline.pdf

The presentation is confusing because the larger group (50,000 households subject to the benefit cap) is represented by a smaller house, while the smaller group (12,000 households moving into work or stopped claiming housing benefit because of the cap) is represented by a larger house.

Overall, we conclude that while it is welcome that DWP is drawing on post-implementation research to consider the impact of its policies, and should continue to do so, the Department should exercise caution as to how far it uses such research to support numerical statements about the extent to which policies are having particular impacts. As more evidence and research emerges, the Department may be able to refine further its analysis of the question of causality.

**Ed Humpherson, Director General for Regulation, UK Statistics Authority
December 2014**