

Housing Benefit in Tower Hamlets

Research Briefing
Corporate Research Unit
November 2016

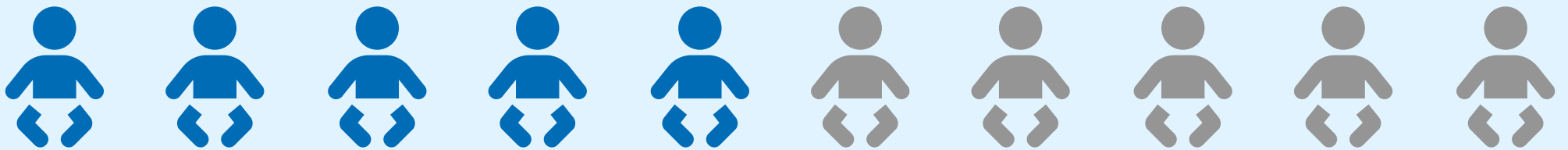


35,000 households in the borough are in receipt of Housing Benefit.

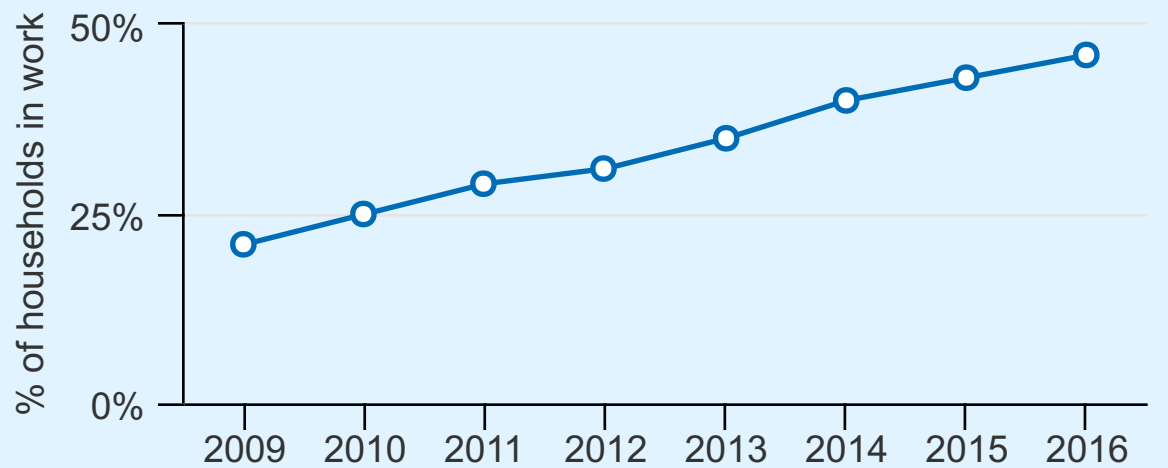
This is around **one in three** households in Tower Hamlets.



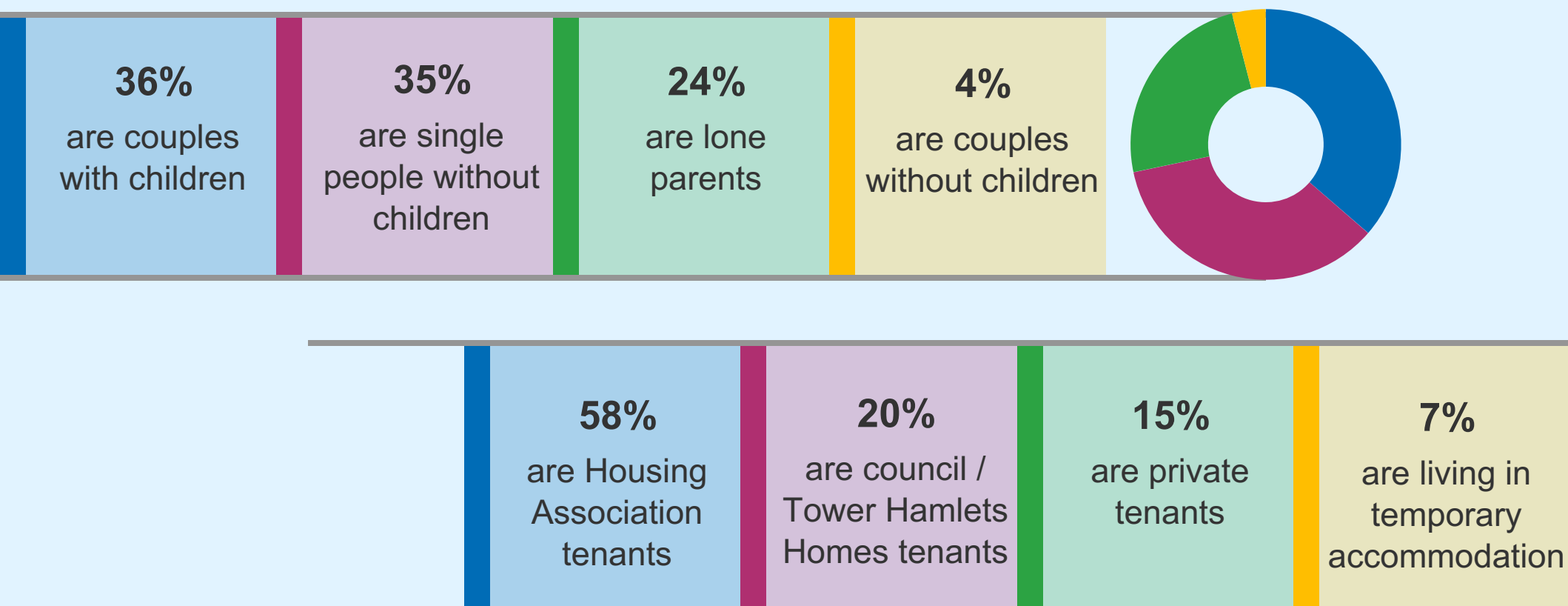
Over half of children in the borough live in households that receive Housing Benefit.



46% of working age households in receipt of Housing Benefit are in work. The proportion of households in work has more than doubled since 2009.



Among working age households receiving Housing Benefit:



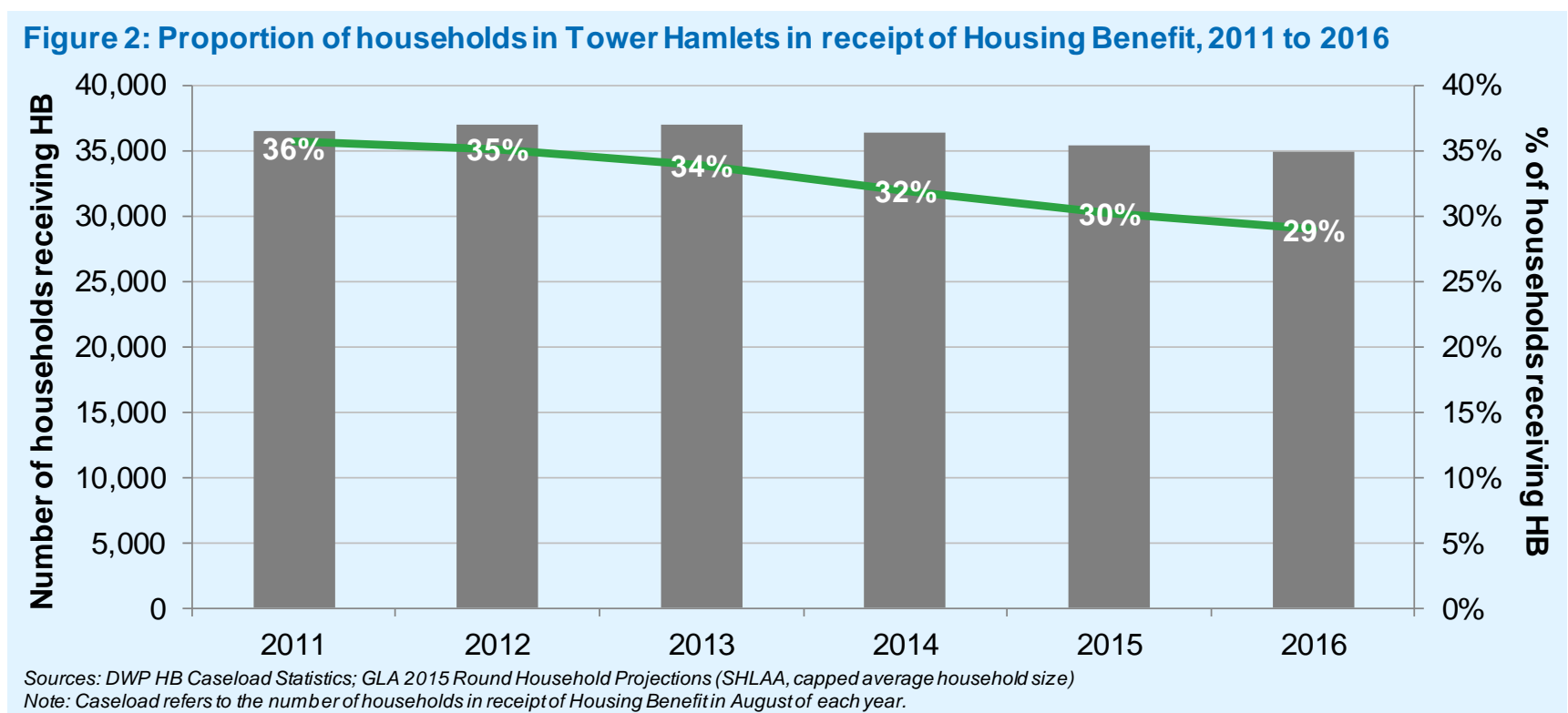
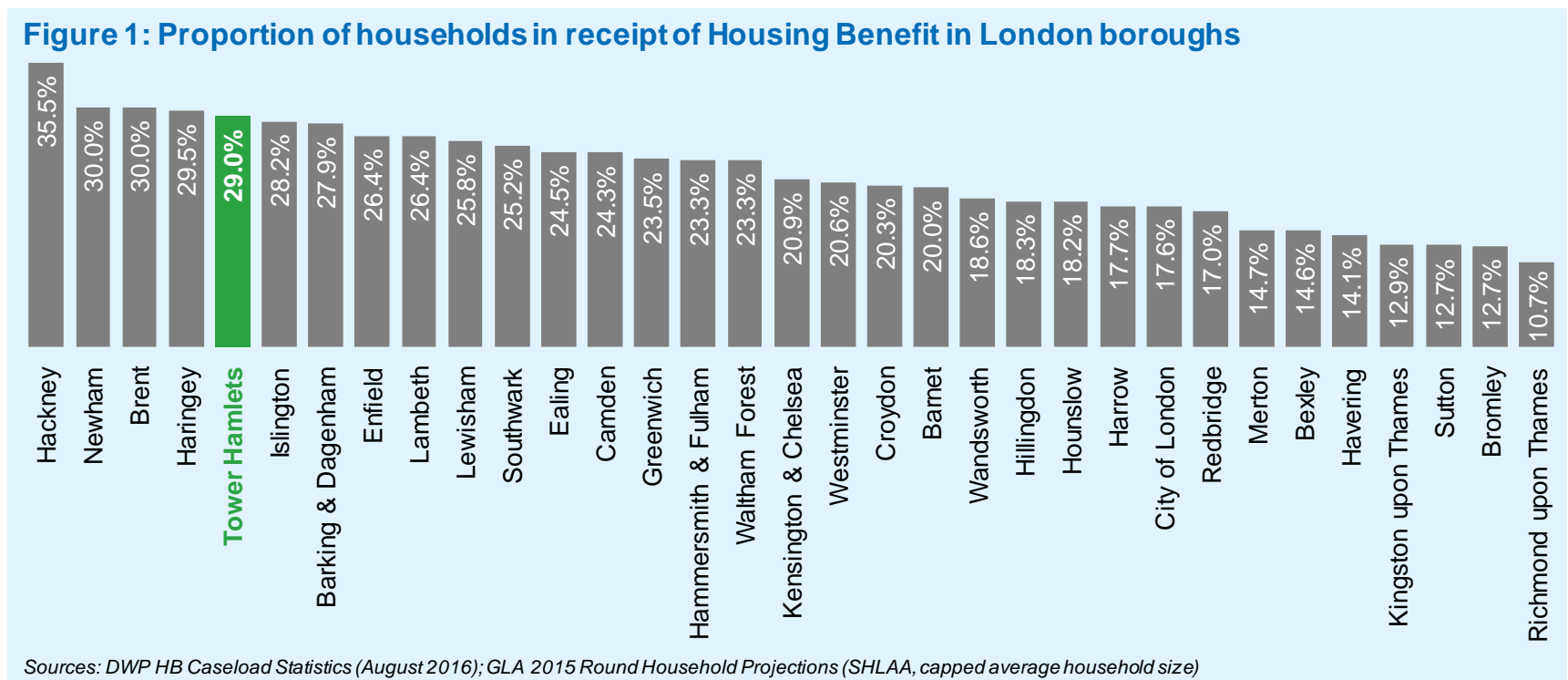
Introduction

Housing Benefit (HB) is a means-tested benefit which helps families on low incomes pay their rent. It is the most widely claimed benefit both in Tower Hamlets and the UK, available to both working age and pension age families, as well as those in and out of work. As such, Housing Benefit data held by the council contains valuable information about residents on low incomes and those affected by welfare reform. This briefing provides a snapshot analysis of this data to provide a profile of households in receipt of Housing Benefit in Tower Hamlets.

The size of the Housing Benefit population

There are around 35,000 households in receipt of Housing Benefit in Tower Hamlets, which equates to around 29 per cent of the borough’s population. Figure 1 shows that this gives Tower Hamlets the fifth highest proportion of households receiving HB when compared with other London boroughs.

However, Figure 2 shows that the proportion of households in the borough in receipt of Housing Benefit has fallen over time, from 36 per cent in 2011 to 29 per cent in 2016.



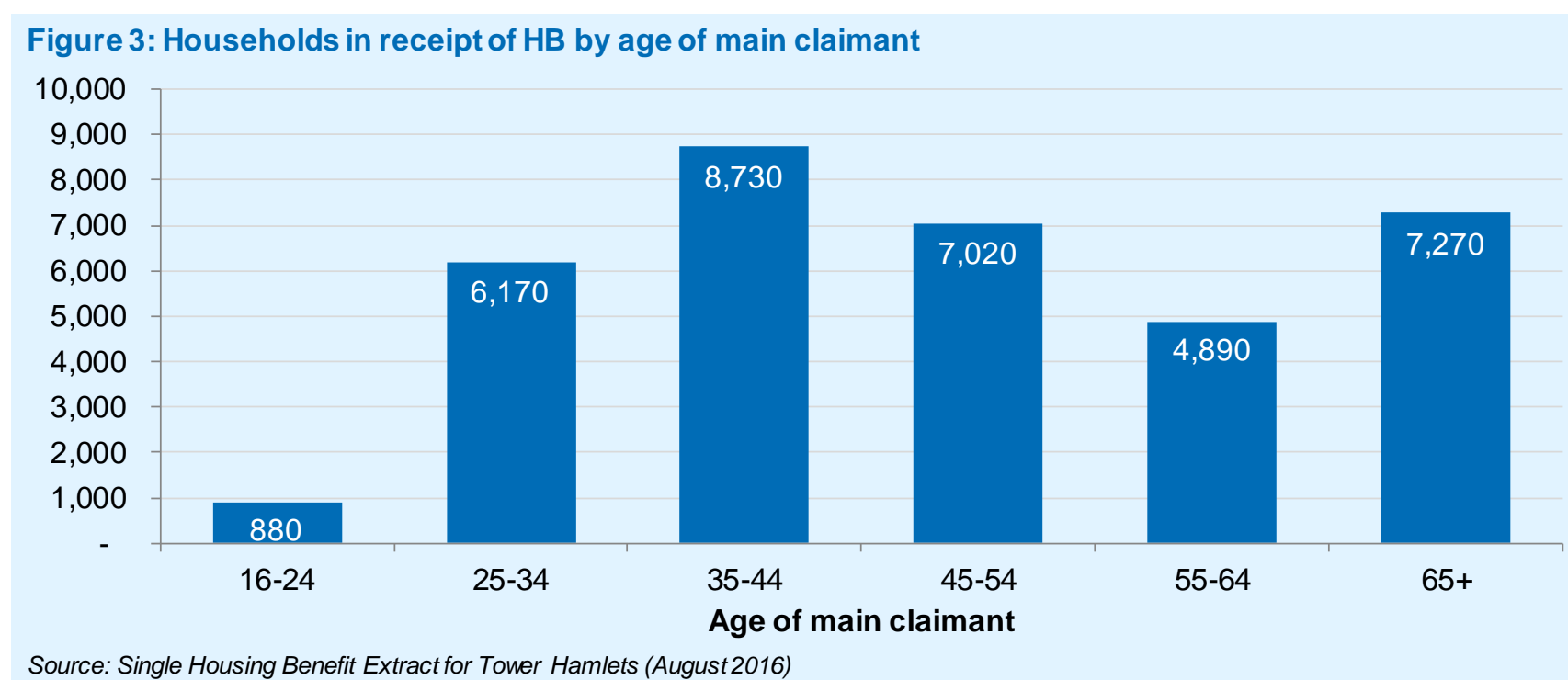
There are around 61,600 adults living in the households currently receiving Housing Benefit, including the claimant and their partner (if a couple) and any non-dependents who live with them, such as a friend or family member. This is around 26 per cent of adults living in the borough.¹

Within the households receiving Housing Benefit, there are also around 37,500 dependent children. This is over half – 54 per cent – of children (under 16) in the borough.²

Age

The majority of households (78 per cent) in receipt of Housing Benefit are of working age, 18 per cent are of pension age, and 4 per cent are mixed age, with one partner of pension age and the other of working age.

Figure 3 provides a breakdown of households in receipt of Housing Benefit by age of the main claimant. It shows that claimants aged 35 to 44 are the largest group in the HB population and that relatively few young people under 25 are receiving Housing Benefit. This is broadly the same age profile of Housing Benefit claimants in London.³



Household type

Among all households in receipt of Housing Benefit, single people without children are the largest household type (45 per cent). Figure 4 shows how this differs in working age and pension age households. While the large majority of pension age households (79 per cent) are single people without children, couples with children are the largest group among working age households (36 per cent). This is a higher than the proportion of working age couples with children in England (17 per cent) and London (22 per cent).⁴

Six in ten (60 per cent) of working age households in receipt of Housing Benefit have dependent children. The average number of children in these households is 2.3.

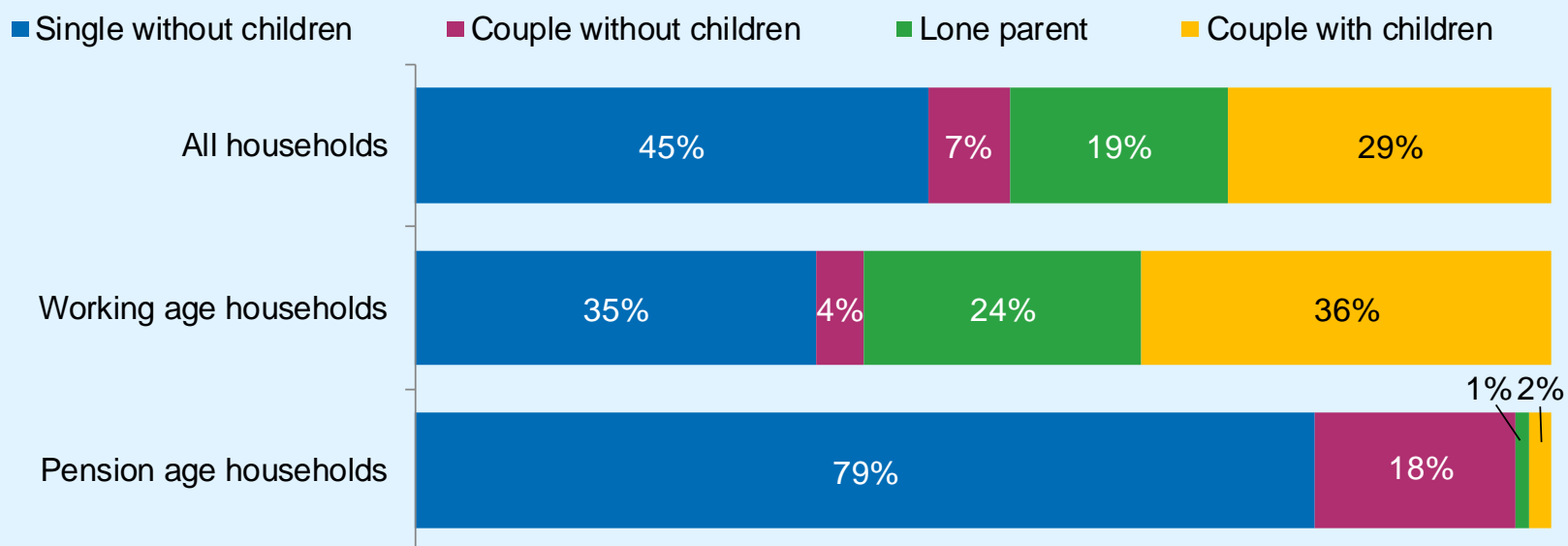
¹ Sources: Single Housing Benefit Extract for Tower Hamlets (as at 18th August 2016); ONS 2015 Mid-year Estimates.

² *Ibid.*

³ DWP HB caseload statistics (May 2016), accessed via Stat-Xplore.

⁴ *Ibid.*

Figure 4: Households in receipt of Housing Benefit by household type



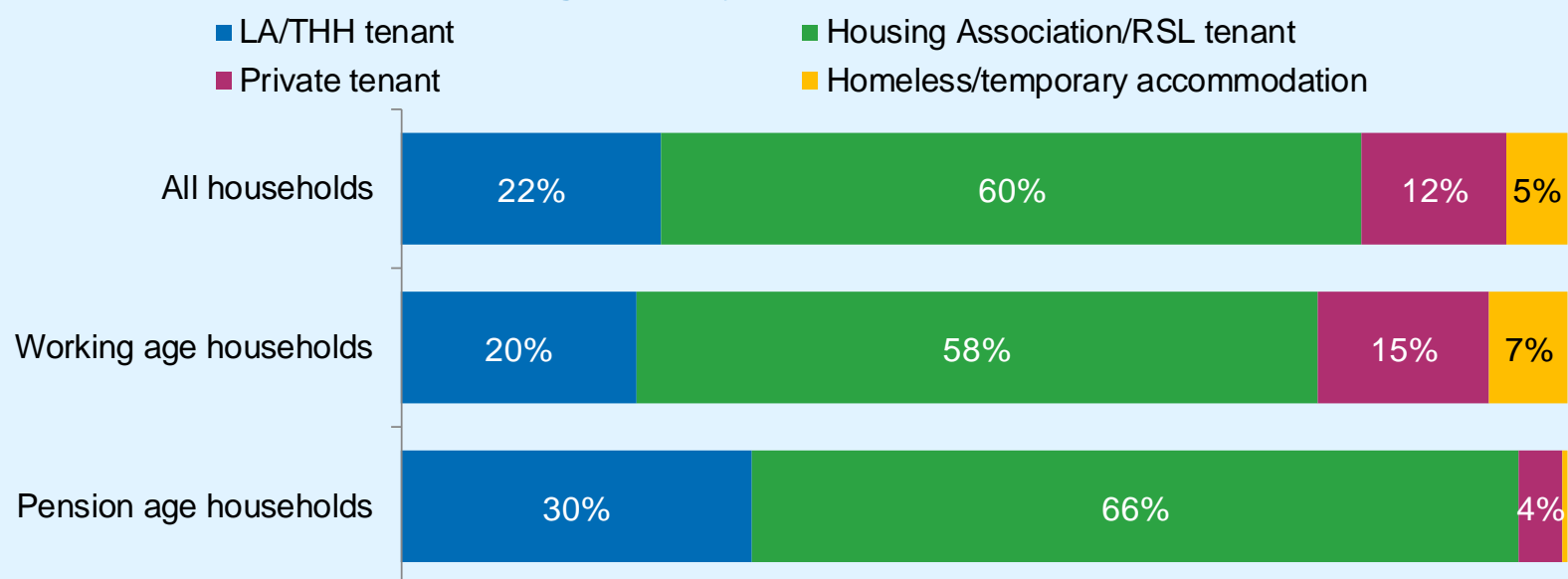
Source: Single Housing Benefit Extract for Tower Hamlets (August 2016)

Note: Households have been categorised as 'pension age' if at least one partner has reached state pension age.

Tenure

Figure 4 below provides a breakdown of households in receipt of Housing Benefit by tenure. It shows that six in ten of all households receiving HB are Housing Association/RSL tenants. Pension age households are more likely to be council / Tower Hamlets Homes tenants and working age households are more likely to be private tenants, homeless or living in temporary accommodation.

Figure 5: Households in receipt of Housing Benefit by tenure



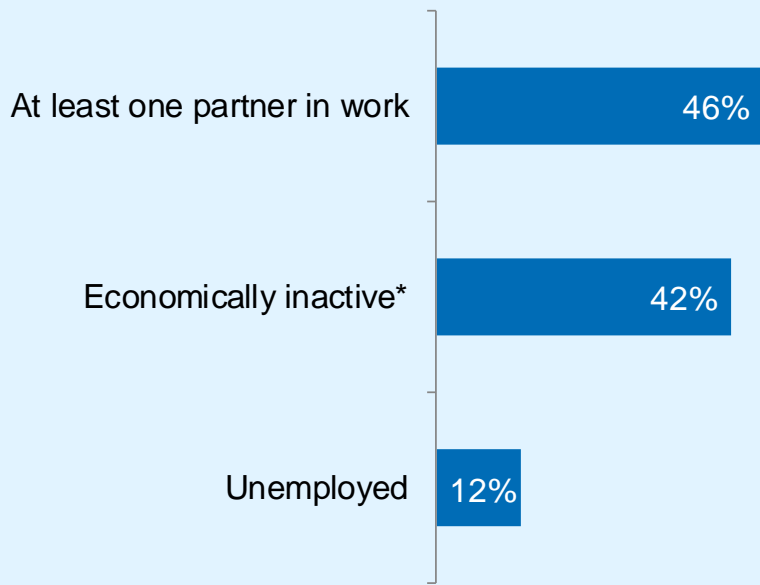
Source: Single Housing Benefit Extract for Tower Hamlets (August 2016)

Economic status

In almost half of working age households in receipt of Housing Benefit (46 per cent), at least one adult is in work (either the claimant or their partner). In around one in five working age households (19 per cent), all adults are in work, meaning a single person in work or a couple where both partners are working.

This means that over half (54 per cent) of households are not in work. Households who are economically inactive (in receipt of Employment and Support Allowance, Income Support or Carer's Allowance) make up 42 per cent of all working age households in receipt of Housing Benefit, and the majority of these households who are not in work (78 per cent).

Figure 6: Working age households in receipt of Housing Benefit by economic status



Source: Single Housing Benefit Extract for Tower Hamlets (August 2016)
 * Households are classified as 'economically inactive' if they are not in work and in receipt of Employment and Support Allowance, Income Support or Carer's Allowance.

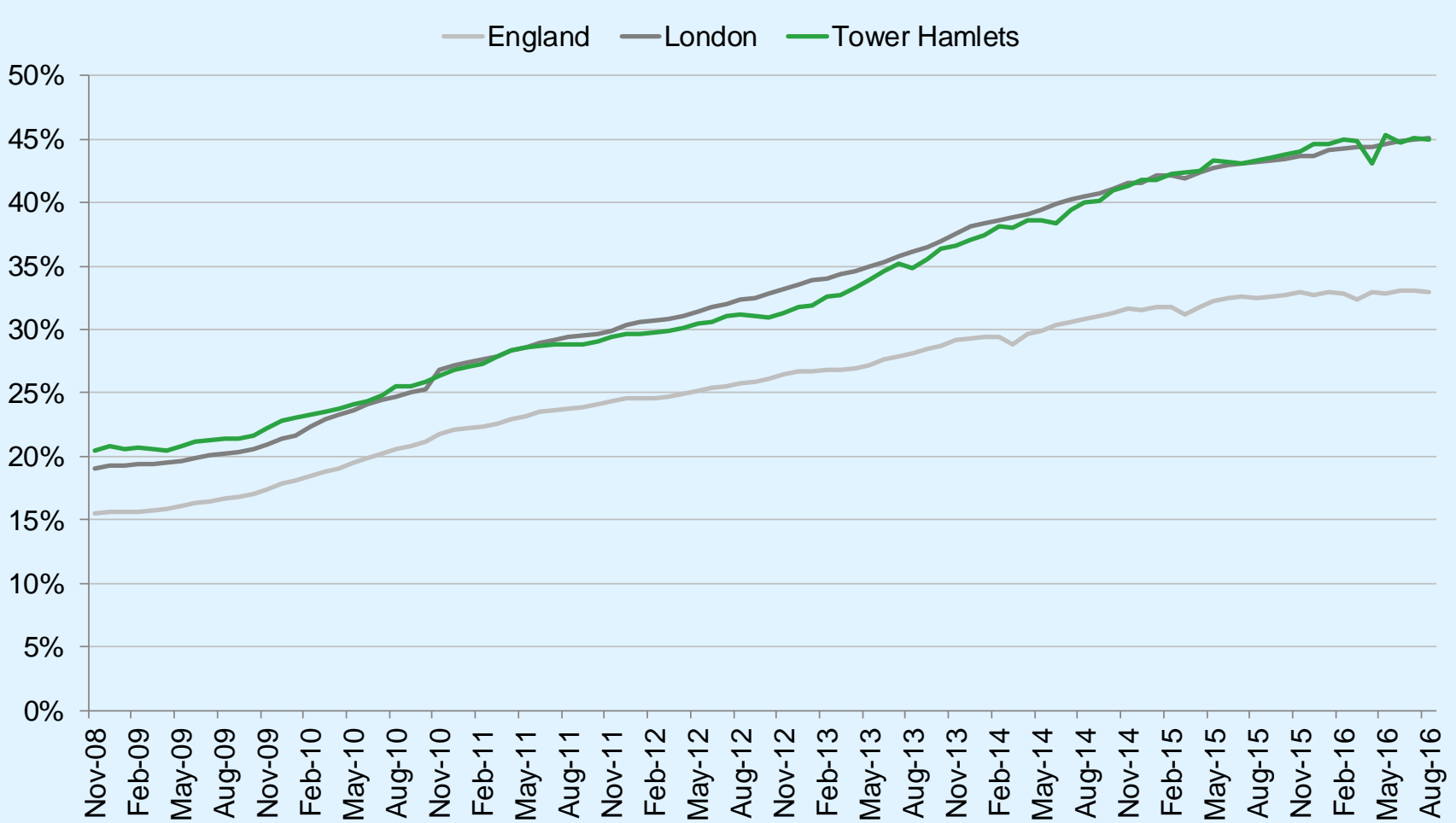
Households who are unemployed (in receipt of Jobseeker's Allowance or who are not in work and not in receipt of an income-replacement benefit) make up 12 per cent of all working age households in receipt of HB and 22 per cent of these households who are not in work.

The proportion of working age households in receipt of HB who are in work (currently 46 per cent) is on par with that in London, and well above the England average of 33 per cent (see Figure 7).

Figure 7 also shows that the proportion of working households has increased substantially in recent years. In Tower

Hamlets, it has more than doubled – from 20 per cent in 2008 up to 46 per cent in 2016.

Figure 7: Proportion of working age households in receipt of HB that are in work



Source: DWP HB Caseload Statistics via Stat-Xplore

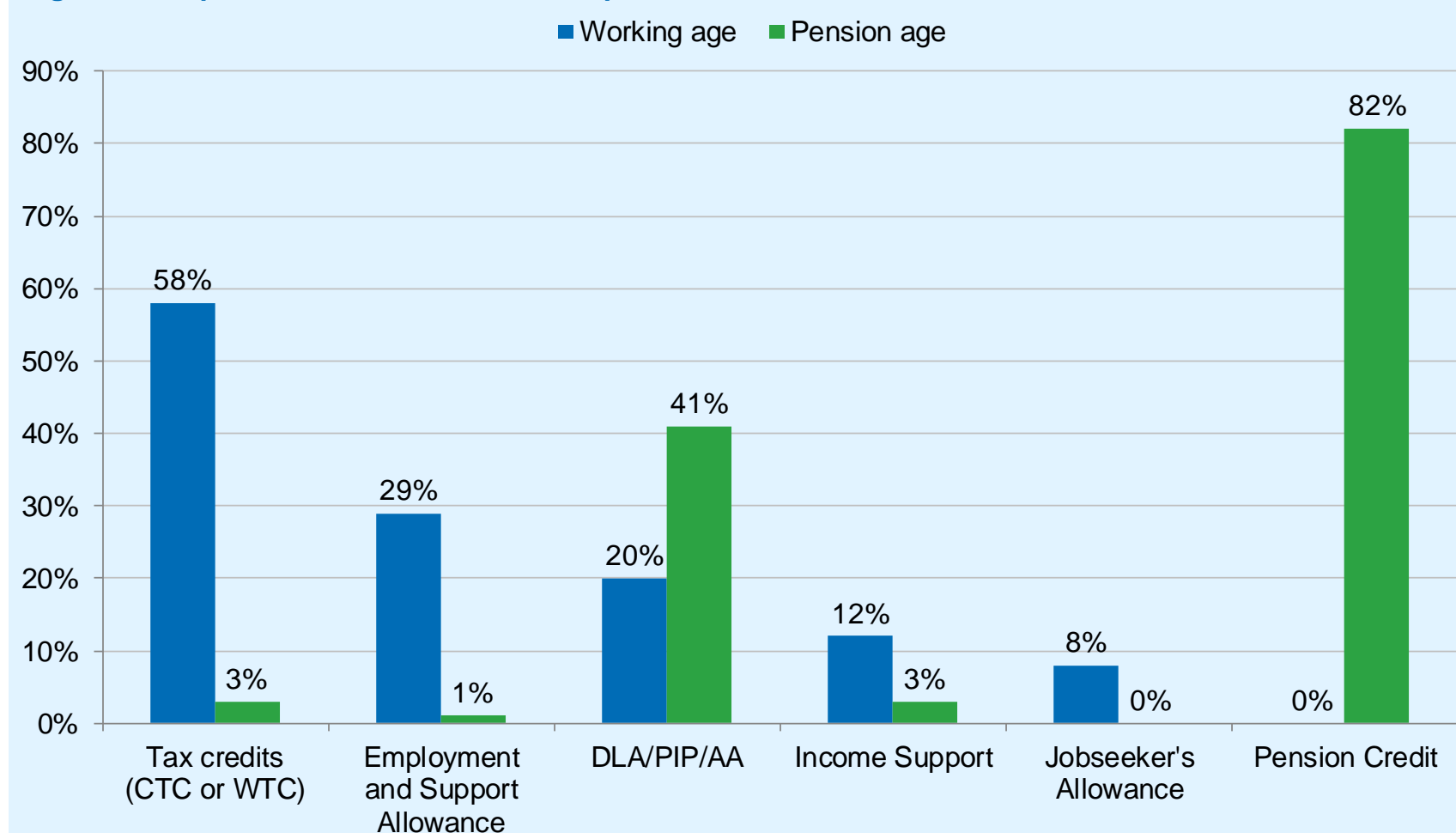
Note: Figures differ slightly from those derived from the Single Housing Benefit Extract due to a different base of 'working age households'. The SHBE analysis classifies households as 'working age' if both partners are below state pension age. Data available on Stat-Xplore is for claimants who are under 65, and the partner's age is unknown.

Receipt of other benefits

Many households receive other benefits in addition to Housing Benefit. Nearly six in ten (58 per cent) working age households are in receipt of tax credits (either Child Tax Credit or Working Tax Credit) and more than a third of working age households (35 per cent) are in receipt of a disability-related benefit (either ESA or DLA/PIP).

Among pension age households, the large majority (82 per cent) are in receipt of Pension Credit and 41 per cent are in receipt of a disability related benefit.

Figure 8: Proportion of households in receipt of HB who receive other benefits



Source: Single Housing Benefit Extract for Tower Hamlets (August 2016)

Note: Households have been categorised as 'pension age' if at least one partner has reached state pension age.

Carers

There are around 3,350 individual carers who are in receipt of Housing Benefit in the borough, which includes both claimants and their partners. These carers live in around 2,960 households and make up one in ten (10 per cent) working age households, and 4 per cent of pension age households.

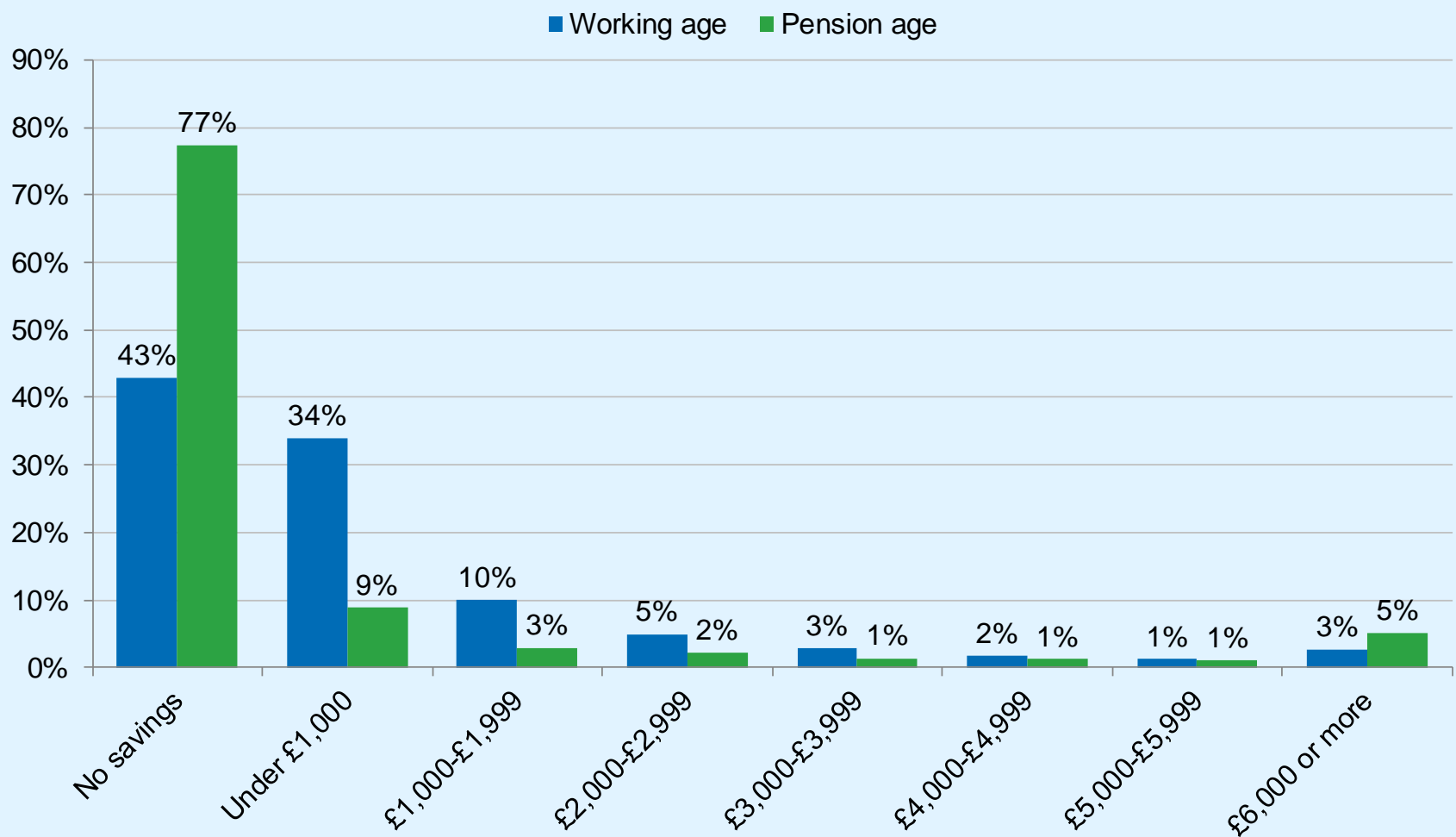
Non-dependants

A non-dependant is an adult living in a household other than the claimant or their partner, such as a friend or family member, but does not include lodgers or boarders. In Tower Hamlets, there are around 14,180 individual non-dependants living in 8,340 households in receipt of Housing Benefit. Around one in five working age households (22 per cent) and a third of pension age households (32 per cent) have a non-dependant living with them.

Savings

Around three quarters of pension age households (77 per cent) and four in ten working age households (43 per cent) in receipt of Housing Benefit have no savings. Figure 9 shows that among those who do have savings, the majority have savings of less than £1,000. However, it should be noted that since only savings above £6,000 affect a Housing Benefit claim, data on savings below this amount may not be wholly accurate.

Figure 9: Proportion of households in receipt of HB who have savings



Source: Single Housing Benefit Extract for Tower Hamlets (August 2016)

Note: Households have been categorised as 'pension age' if at least one partner has reached state pension age.

Further information

The data used in this briefing were sourced from:

- The Single Housing Benefit Extract held by Tower Hamlets Council, which was extracted on 18 August, 2016.
- Housing Benefit caseload data from DWP which can be accessed through [Stat X-plore](#).

This briefing was produced by the council's Corporate Research Unit (CRU). Research briefings provide timely and in-depth analysis about Tower Hamlets. Other briefings, including those on welfare reform, can be found on the [Borough Statistic pages](#) of the council's website.

For more information about this report, please contact [Lisa Stidle](#), Research Officer, Corporate Research Unit.

Housing Benefit in Tower Hamlets

Appendix: Profile of Housing Benefit claimants, Tower Hamlets, August 2016						
	All households		Working age households		Pension age* households	
	Number	% total	Number	% total	Number	% total
TOTAL number of claims	34,951	100	27,158	100	7,793	100
Household type						
Single without children	15,758	45	9,588	35	6,170	79
Couple without children	2,517	7	1,141	4	1,376	18
Lone parent	6,693	19	6,603	24	90	1
Couple with children	9,983	29	9,826	36	157	2
Age (of main claimant)						
16-24	882	3	882	3	-	-
25-34	6,168	18	6,168	23	-	-
35-44	8,727	25	8,723	32	-	-
45-54	7,017	20	6,973	26	-	-
55-64	4,886	14	4,412	16	-	-
Under 65	27,680	79	27,158	100	522	7
65 and over	7,271	21	-	-	7,271	93
Child(ren) in household						
No dependent children	18,275	52	10,729	40	7,546	97
Dependent child(ren) in household	16,676	48	16,429	60	247	3
1 child	5,236	15	5,082	19	154	2
2 children	5,397	15	5,344	20	53	1
3 or more children	6,043	17	6,003	22	40	1
Tenure						
LA/THH tenant	7,793	22	5,455	20	2,338	30
Housing Association/RSL	20,976	60	15,854	58	5,122	66
Private tenant	4,318	12	4,021	15	297	4
Homeless/temporary accommodation	1,864	5	1,828	7	36	0
Carers						
Claimant or partner is a carer	2,958	8	2,669	10	289	4
No carer in household	31,993	92	24,489	90	7,504	96
Non-dependants in household						
None	26,613	76	21,309	78	5,304	68
One non-dependant	4,682	13	3,368	12	1,314	17
2 or more non-dependants	3,656	10	2,481	9	1,175	15
Household work status						
At least one partner in work	12,676	36	12,593	46	83	1
All in work	5,255	15	5,211	19	44	1
One partner in work	7,421	21	7,382	27	39	1
Not self-employed	9,673	28	9,600	35	73	1
At least one partner self-employed	3,003	9	2,993	11	10	0
Not in work	22,275	64	14,565	54	7,710	99
Economically inactive†	19,055	55	11,348	42	-	-
Unemployed	3,220	9	3,217	12	-	-
Receipt of other benefits‡						
Jobseeker's Allowance	2,306	7	2,303	8	<5	0
Employment and Support Allowance	7,912	23	7,866	29	46	1
Income Support	3,273	9	3,250	12	23	0
Pension Credit	6,389	18	-	-	6,389	82
Guarantee Credit	5,989	17	-	-	5,989	77
Savings Credit	771	2	-	-	771	10
Tax credits (CTC or WTC)	15,906	46	15,670	58	236	3
DLA/PIP/AA	8,482	24	5,313	20	3,169	41
Savings						
No Savings	17,656	51	11,631	43	6,025	77
Savings	17,295	49	15,527	57	1,768	23

Source: Single Housing Benefit Extract for Tower Hamlets (as at 18th August 2016)

Note: All claimant data relate to claimants whose benefit is administered by Tower Hamlets Council, so includes those living out of borough. Percentages have been rounded, so totals may not sum to 100.

* Households are classified as 'pension age' if at least one partner is of state pension age.

† Households are classified as 'economically inactive' if they are not in work and in receipt of Employment and Support Allowance,

‡ Households can be in receipt of more than one benefit so percentages will not sum to one hundred.