

## Social security expenditure

- Expenditure in Great Britain on social security benefits (incl. state pension) and tax credits is forecast at £212.0 billion in 2016/17, equivalent to 28.4% of total public expenditure or 11.3% of UK GDP.
- Pensioner expenditure accounts for 55.7% (42.5% State Pension, 12.8% other pensioner benefits). Contributory benefits account for 47% of total spend (as against around 70% in the 1960s/1970s).
- In 2014-15, overpayment due to fraud and error in DWP benefits is estimated at £3.1bn (1.8% of total DWP benefit spend), of which £1.3bn was due to fraud. An estimated £1.6bn was underpaid in error.

### Expenditure (a) on benefits administered by DWP and HMRC

Great Britain (b)	£ billion			£ billion			Total as % of GDP
	Nominal terms		Total	Real terms (16/17 prices)		Total	
	DWP	HMRC		DWP	HMRC		Total
1997/98	93.3	-	<b>93.3</b>	138.9	-	<b>138.9</b>	9.8%
2001/02	106.7	5.5	<b>112.2</b>	148.9	7.2	<b>156.1</b>	9.9%
2005/06	115.8	26.6	<b>142.4</b>	144.7	31.9	<b>176.6</b>	10.2%
2010/11	153.4	40.1	<b>193.4</b>	167.2	43.0	<b>210.1</b>	12.2%
2013/14	(c) 164.2	39.7	<b>203.9</b>	169.5	40.5	<b>210.0</b>	11.6%
2014/15	168.3	39.9	<b>208.2</b>	171.1	40.1	<b>211.2</b>	11.3%
2015/16 forecast	171.9	38.9	<b>210.8</b>	174.5	38.9	<b>213.4</b>	11.2%
2016/17 forecast	173.6	38.8	<b>212.3</b>	173.6	38.2	<b>211.8</b>	10.9%
2019/20 forecast	180.6	37.7	<b>218.3</b>	170.5	35.3	<b>205.8</b>	10.1%
2020/21 forecast	184.7	38.3	<b>223.0</b>	170.9	35.2	<b>206.1</b>	9.9%

Sources: DWP Benefit Expenditure Tables, HMRC, ONS, OBR, Library calculations

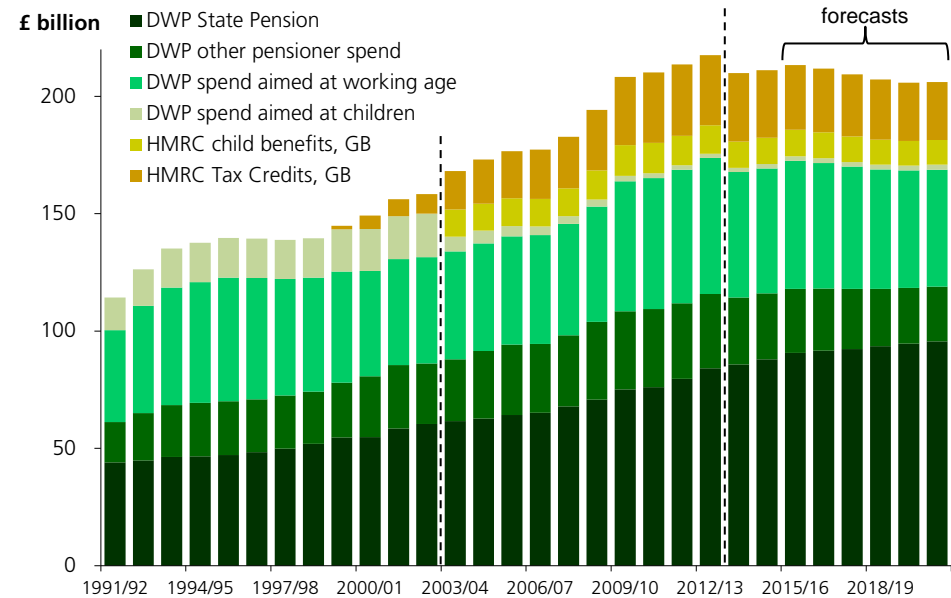
Notes: From 2003/04, Child Benefit transferred to HMRC, and CTC/WTC introduced.

(a) Tax Credit payments classed as 'negative tax' rather than Annual Managed Expenditure (AME) are included here, as from 2013-14 this will be migrated to Universal Credit AME spend.

(b) Northern Ireland Executive Benefit spend and HMRC tax credit spend in NI not included.

(c) Council Tax Benefit abolished. Its replacements are not included in DWP AME benefit spend.

DWP/HMRC social security spending 1991/92 to 2020/21, real terms (2016/17 prices)



### Estimates of fraud and error in the benefit and tax credit systems (£bn)

#### DWP benefits (2014-15: central estimates)



#### HMRC Child and Working Tax Credits (2013-14: central estimates)

