

# Tax Credits – key statistics

## Commons Debate pack CDP-2015-0033

### Introduction

- Summary statistics on Child and Working Tax Credit (CTC and WTC), prepared by the House of Commons Library for the Opposition Day debate on *Tax credits and support for working families*, 1 July 2015.

## 1.1 Caseload

In the UK in April 2015 there were:

- 4,566,900 families in receipt of tax credits, of which:
- 4,008,600 families with children, all receiving Child Tax Credit (in respect of 7,637,000 children, an average of 1.9 children per family).

Tax credit recipient families with children can be broken down as follows:

	<b>Number of families</b>	<b>Number of children</b>
Out of work (CTC only)	1,289,600	2,475,500
In work: receiving full CTC plus WTC payment	1,893,300	3,471,500
In work: receiving CTC only (WTC payment tapered away)	825,600	1,690,000
In work: total	2,718,900	5,161,500
<b>All families with children in receipt of tax credits</b>	<b>4,008,600</b>	<b>7,637,000</b>

## 1.2 Expenditure

Expenditure on tax credits is forecast to be around **£30 billion** in 2015/16.

In 2013/14, the £30 billion spent on tax credits broken down as follows:

- 75% consisted of payment of CTC entitlements (45% in-work; 30% out of work)
- 25% consisted of payment of WTC entitlements.

Expenditure on tax credits accounts for:

- around 30% of non-pensioner welfare spend,
- 14% of all welfare spend (incl. pensioner benefits and State Pension),
- 4% of total public spending and
- 1.6% of UK Gross Domestic Product (GDP).

Up until last year, tax credit expenditure was broken down to show the total value of tax credit spend which contributed to offsetting recipients' income tax liability (categorised for Treasury accounting purposes as the '**negative tax**' component of tax credit spend).

According to the Office for Budget Responsibility (OBR), the approx. £30 billion total spend on tax credits in 2014/15 broke down into:

- Negative tax: £3 billion
- Annually Managed Expenditure (AME): £27 billion

Source: [OBR Welfare Trends Oct 2014](#) table 4.2

This note contains the following tables and chart (see below)

- Table 1: Child and Working Tax Credit caseload (families and children)
- Chart 1: Child and Working Tax Credit caseload (families)
- Table 2: Child and Working Tax Credit caseload (families and children), country and region, April 2015
- Table 3: Expenditure on Child and Working Tax Credits – United Kingdom
- Table 4: Expenditure on Child and Working Tax Credits and equivalent – Great Britain

Table 1: Child and Working Tax Credit caseload (families and children)

	Total out-of-work families with children (a)	In-work families with children				Total in-work families with children	Total families with children (out-of-work & in-work)(a)	With no children - receiving WTC only	Total in-work families	Total in receipt (out-of-work & in-work, children/no children)(a)
		With children								
		Receiving WTC and CTC	Receiving CTC only							
			More than the family element	Family element	Less than family element					
<b>Families (thousands)</b>										
5 Apr 2004	1,400	1,589	704	1,890	123	4,306	<b>5,800</b>	235	4,541	<b>6,000</b>
5 Apr 2005	1,400	1,531	711	1,993	122	4,356	<b>5,700</b>	282	4,639	<b>6,000</b>
3 Apr 2006	1,400	1,565	684	1,899	134	4,282	<b>5,700</b>	319	4,601	<b>6,000</b>
3 Apr 2007	1,398	1,645	665	1,840	126	4,275	<b>5,673</b>	343	4,619	<b>6,017</b>
5 Apr 2008	1,383	1,715	671	1,762	136	4,284	<b>5,667</b>	376	4,660	<b>6,043</b>
1 Apr 2009	1,418	1,804	688	1,614	152	4,258	<b>5,676</b>	455	4,714	<b>6,131</b>
1 Apr 2010	1,492	1,910	718	1,481	155	4,263	<b>5,756</b>	548	4,811	<b>6,304</b>
3 Apr 2011	1,470	2,002	737	1,446	135	4,320	<b>5,790</b>	591	4,911	<b>6,381</b>
1 Apr 2012 (b)	1,474	1,934	793	955	30	3,712	<b>5,186</b>	582	4,294	<b>5,768</b>
1 Apr 2013 (c)	1,481	1,885		858		2,743	<b>4,224</b>	569	3,312	<b>4,793</b>
2 Apr 2014	1,381	1,898		842		2,740	<b>4,121</b>	567	3,307	<b>4,687</b>
3 Apr 2015	<b>1,290</b>	<b>1,893</b>		<b>826</b>		<b>2,719</b>	<b>4,009</b>	<b>558</b>	<b>3,277</b>	<b>4,567</b>
<b>Children (thousands)</b>										
5 Apr 2004	2,700	2,884	1,496	3,073	215	7,700	<b>10,700</b>			
5 Apr 2005	2,700	2,755	1,510	3,153	207	7,600	<b>10,300</b>			
3 Apr 2006	2,600	2,805	1,447	2,967	227	7,400	<b>10,000</b>			
3 Apr 2007	2,656	2,946	1,404	2,861	213	7,425	<b>10,081</b>			
5 Apr 2008	2,640	3,070	1,415	2,722	229	7,435	<b>10,075</b>			
1 Apr 2009	2,695	3,218	1,434	2,454	256	7,362	<b>10,057</b>			
1 Apr 2010	2,843	3,392	1,477	2,221	263	7,353	<b>10,195</b>			
3 Apr 2011	2,806	3,572	1,517	2,163	230	7,481	<b>10,287</b>			
1 Apr 2012 (b)	2,805	3,456	1,626	1,332	52	6,466	<b>9,270</b>			
1 Apr 2013 (c)	2,830	3,372		1,729		5,101	<b>7,930</b>			
2 Apr 2014	2,641	3,452		1,713		5,164	<b>7,805</b>			
3 Apr 2015	<b>2,476</b>	<b>3,472</b>		<b>1,690</b>		<b>5,162</b>	<b>7,637</b>			

[HMRC Personal tax credits: provisional statistics 2003-, National Archives](#)

Source:

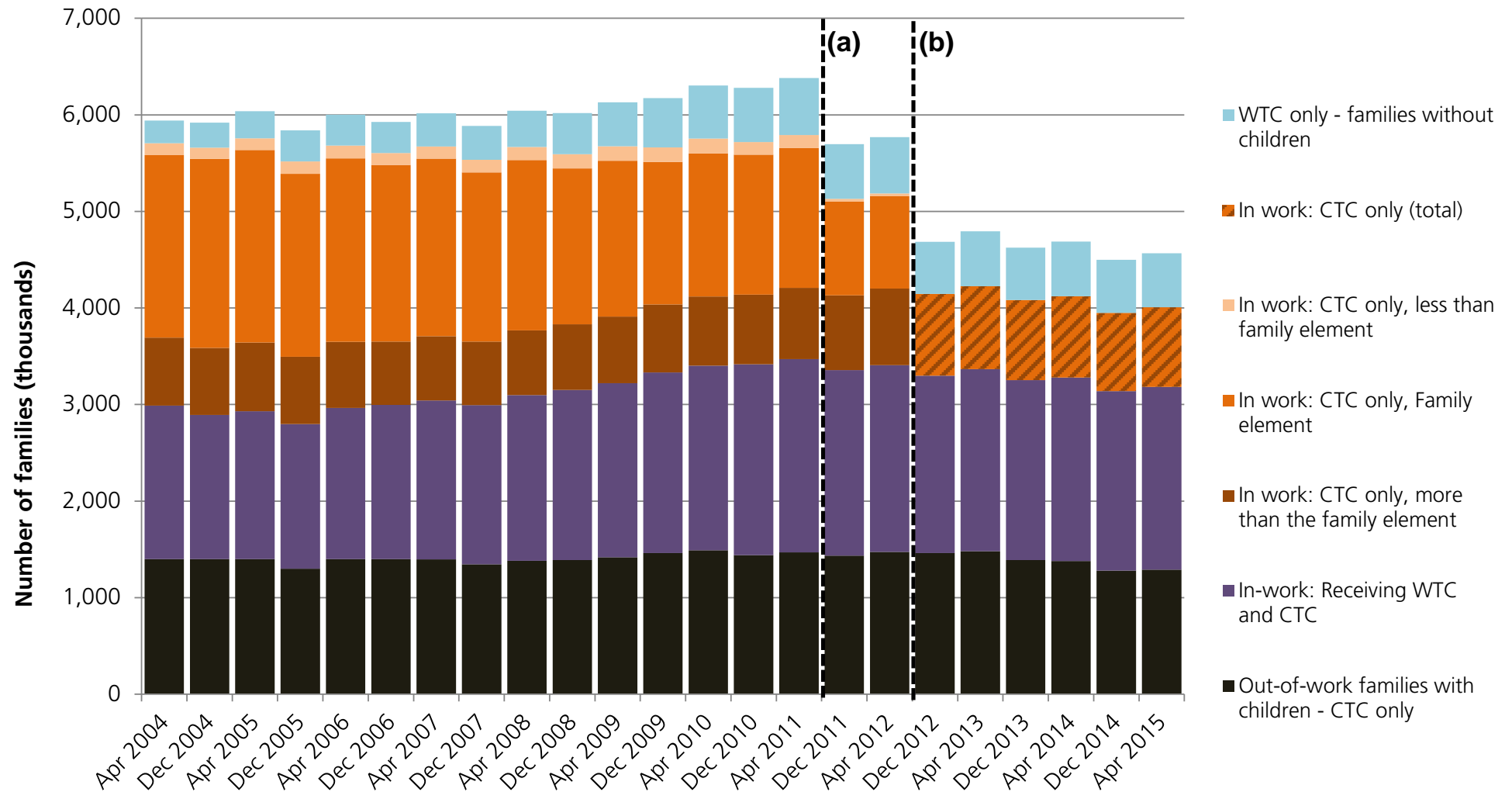
[HMRC Personal tax credits: provisional statistics 2009-2015, Gov.uk](#)

Notes:

(a) For dates up to 2006, include families receiving the equivalent level of CTC through JSA/IS child premiums, figures rounded to 0.1 million.  
(b) 2011/12 tax year: second income threshold (protecting the CTC family element) cut from £50,000 to £40,000 gross p.a. ; WTC childcare element cut from 80% to 70% of eligible childcare costs.

(c) 2012/13 tax year onwards: second income threshold scrapped: CTC family element tapered immediately after other elements

Chart 1: Child and Working Tax Credit caseload (families)



Source: HMRC Personal Tax Credits provisional statistics.

Notes: **(a)** 2011/12 tax year: second income threshold (protecting the CTC family element) cut from £50,000 to £40,000 gross p.a.; income taper rate increased from 39% to 41%; WTC childcare element cut from 80% to 70% of eligible childcare costs.

**(b)** 2012/13 tax year onwards: second income threshold scrapped: CTC family element tapered immediately after other elements

Table 2: Child and Working Tax Credit caseload (families and children), country and region, April 2015

	Families with children (receiving CTC)				All families with children	In-work with no children: receiving WTC only	Total in-work families	Total in receipt (out-of-work and in-work)
	Total out-of-work families	In work-families with children						
		Receiving WTC and CTC	Receiving CTC only	Total				
<b>Number of families (thousands)</b>								
<b>England</b>	<b>1,059.2</b>	<b>1,595.0</b>	<b>688.0</b>	<b>2,283.0</b>	<b>3,342.2</b>	<b>449.5</b>	<b>2,732.5</b>	<b>3,791.8</b>
North East	62.6	83.0	33.0	116.0	178.6	32.2	148.2	210.9
North West	162.3	243.3	92.5	335.8	498.1	82.0	417.8	580.1
Yorks & The Humber	115.0	178.3	75.9	254.2	369.2	56.9	311.1	426.0
East Midlands	85.8	139.8	68.1	207.9	293.7	44.2	252.2	338.0
West Midlands	130.6	186.4	81.3	267.7	398.3	51.2	319.0	449.6
East	97.9	151.9	77.6	229.5	327.4	37.5	267.0	365.0
London	197.9	274.8	81.5	356.3	554.2	52.3	408.6	606.6
South East	126.7	200.3	101.0	301.3	428.0	47.3	348.6	475.3
South West	80.4	137.1	77.2	214.3	294.7	45.7	260.0	340.3
<b>Wales</b>	<b>71.4</b>	<b>91.4</b>	<b>43.2</b>	<b>134.6</b>	<b>206.0</b>	<b>32.9</b>	<b>167.4</b>	<b>238.8</b>
<b>Scotland</b>	<b>99.6</b>	<b>136.8</b>	<b>60.4</b>	<b>197.2</b>	<b>296.8</b>	<b>53.1</b>	<b>250.3</b>	<b>349.9</b>
<b>Northern Ireland</b>	<b>51.6</b>	<b>61.3</b>	<b>29.6</b>	<b>90.9</b>	<b>142.5</b>	<b>21.6</b>	<b>112.5</b>	<b>164.1</b>
Foreign and not known	7.8	8.8	4.4	13.2	21.0	1.3	14.5	22.3
<b>United Kingdom<sup>1</sup></b>	<b>1,289.6</b>	<b>1,893.3</b>	<b>825.6</b>	<b>2,718.9</b>	<b>4,008.6</b>	<b>558.3</b>	<b>3,277.3</b>	<b>4,566.9</b>
<b>Number of children (thousands)</b>								
<b>England</b>	<b>2,051.2</b>	<b>2,956.1</b>	<b>1,409.5</b>	<b>4,365.6</b>	<b>6,416.7</b>			
North East	117.7	145.0	65.2	210.2	327.9			
North West	313.0	446.5	185.7	632.2	945.2			
Yorks & The Humber	226.4	336.9	153.9	490.8	717.2			
East Midlands	167.9	253.2	139.2	392.4	560.3			
West Midlands	262.3	356.2	167.0	523.2	785.5			
East	188.4	275.9	161.5	437.4	625.7			
London	378.6	537.1	165.0	702.1	1,080.8			
South East	242.8	360.7	211.2	571.9	814.7			
South West	154.1	244.5	160.8	405.3	559.4			
<b>Wales</b>	<b>134.8</b>	<b>163.0</b>	<b>87.1</b>	<b>250.1</b>	<b>385.0</b>			
<b>Scotland</b>	<b>176.3</b>	<b>225.9</b>	<b>120.1</b>	<b>346.0</b>	<b>522.3</b>			
<b>Northern Ireland</b>	<b>98.1</b>	<b>111.0</b>	<b>64.1</b>	<b>175.1</b>	<b>273.2</b>			
Foreign and not known	15.1	15.5	9.1	24.6	39.8			
<b>United Kingdom<sup>1</sup></b>	<b>2,475.5</b>	<b>3,471.5</b>	<b>1,690.0</b>	<b>5,161.5</b>	<b>7,637.0</b>			

<sup>1</sup> Including foreign and not known.

Source: [HMRC Child and Working Tax Credits Statistics April 2015](#) – tables 8.1 and 8.2

Table 3: Expenditure on Child and Working Tax Credits – United Kingdom

	Total spend on HMRC tax credits:				Estimated Child/Working Tax Credits breakdown (a)								
	£ billion		as % of GDP	as % of total public expenditure (TME)	£ billion, nominal terms				£ billion, real terms (2015/16 prices)				
	Nominal terms	Real terms (2015/16 prices)			CTC out of work	CTC in work	CTC - total	WTC	CTC out of work	CTC in work	CTC - total	WTC	
2003-04	<b>13.4</b>	17.6	1.1%	2.9%	..	..	..	..	..	..	..	..	..
2004-05	<b>15.9</b>	20.3	1.3%	3.1%	4.8	7.4	12.2	3.7	6.1	9.4	15.6	4.8	4.8
2005-06	<b>17.3</b>	21.6	1.3%	3.2%	5.1	8.0	13.1	4.3	6.3	9.9	16.3	5.3	5.3
2006-07	<b>18.7</b>	22.6	1.3%	3.3%	5.3	8.5	13.7	5.0	6.4	10.2	16.6	6.0	6.0
2007-08	<b>20.0</b>	23.6	1.3%	3.3%	5.6	9.0	14.5	5.5	6.5	10.6	17.1	6.5	6.5
2008-09	<b>24.1</b>	27.7	1.6%	3.7%	6.5	10.8	17.3	6.8	7.5	12.3	19.8	7.8	7.8
2009-10	<b>27.6</b>	30.9	1.8%	4.0%	7.5	12.3	19.9	7.7	8.4	13.8	22.2	8.7	8.7
2010-11	<b>28.9</b>	31.4	1.8%	4.1%	7.7	13.0	20.7	8.2	8.4	14.2	22.5	8.9	8.9
2011-12	<b>29.8</b>	31.9	1.8%	4.2%	8.3	13.6	21.9	7.9	8.9	14.6	23.5	8.4	8.4
2012-13	<b>29.9</b>	31.5	1.8%	4.1%	9.2	13.3	22.5	7.4	9.7	14.0	23.7	7.8	7.8
2013-14	<b>29.7</b>	30.6	1.7%	4.1%	8.8	13.6	22.4	7.3	9.1	14.0	23.1	7.5	7.5
2014-15	<b>29.7</b>	30.1	1.6%	4.0%	..	..	..	..	..	..	..	..	..
2015-16	forecast	<b>29.5</b>	29.5	1.6%	4.0%	..	..	..	..	..	..	..	..
2016-17	forecast	<b>29.8</b>	29.4	1.5%	4.0%	..	..	..	..	..	..	..	..
2017-18	forecast	<b>30.5</b>	29.7	1.5%	4.1%	..	..	..	..	..	..	..	..
2018-19	forecast	<b>31.6</b>	30.1	1.5%	4.2%	..	..	..	..	..	..	..	..
2019-20	forecast	<b>32.3</b>	30.0	1.5%	4.1%	..	..	..	..	..	..	..	..

Sources: UK total, 2003-04 to 2014-15: [HMRC Tax and NICs receipts: statistics table](#)  
UK total, forecasts 2015-16 → [OBR, Economic and fiscal outlook March 2015: supplementary fiscal table 2.19](#)  
(a) HoC Library calculations based on: [HMRC Child and Working Tax Credits statistics: finalised annual awards - 2013/14 table 1.1](#)  
adjusted in line with HMRC headline total tax credit expenditure.  
Real terms spend inflation-adjusted using latest GDP deflator. TME - Total Managed Expenditure from OBR Public finances databank

Table 4: Expenditure on Child and Working Tax Credits and equivalent – Great Britain

Expenditure on HMRC tax credits and equivalent predecessors									
£ billion, nominal			£ billion, real terms (2015/16 prices)			Total as % of GB non-pensioner welfare spend	Total as % of total GB welfare spend (incl. State Pension)	Total as % of total public expenditure (TME)	
HMRC tax credits	JSA/Inc. Supp. child premiums	Tax credits & equivalent: total	HMRC tax credits	JSA/Inc. Supp. child premiums	Tax credits & equivalent: total				
2003-04	13.0	4.0	<b>17.0</b>	17.1	5.3	<b>22.4</b>	28.4%	13.6%	3.6%
2004-05	15.3	3.4	<b>18.7</b>	19.6	4.4	<b>24.0</b>	29.8%	14.2%	3.7%
2005-06	16.7	2.6	<b>19.3</b>	20.8	3.2	<b>24.0</b>	29.6%	13.9%	3.6%
2006-07	18.0	2.1	<b>20.1</b>	21.8	2.5	<b>24.3</b>	29.8%	14.0%	3.5%
2007-08	19.3	1.7	<b>21.1</b>	22.8	2.0	<b>24.8</b>	29.8%	13.9%	3.5%
2008-09	23.3	1.5	<b>24.7</b>	26.7	1.7	<b>28.4</b>	31.8%	14.9%	3.8%
2009-10	26.7	0.9	<b>27.5</b>	29.8	1.0	<b>30.8</b>	31.4%	15.1%	4.0%
2010-11	27.9	0.6	<b>28.5</b>	30.3	0.7	<b>31.0</b>	31.5%	15.1%	4.0%
2011-12	28.8	0.5	<b>29.2</b>	30.8	0.5	<b>31.3</b>	31.5%	15.0%	4.1%
2012-13	28.8	0.3	<b>29.1</b>	30.3	0.3	<b>30.6</b>	30.8%	14.4%	4.0%
2013-14	28.7	0.2	<b>28.8</b>	29.6	0.2	<b>29.7</b>	31.0%	14.2%	4.0%
2014-15	28.7	0.1	<b>28.8</b>	29.1	0.1	<b>29.2</b>	30.7%	13.9%	3.9%
2015-16	forecast	0.1	<b>28.5</b>	28.4	0.1	<b>28.5</b>	30.3%	13.5%	3.8%
2016-17	forecast	0.1	<b>28.8</b>	28.4	0.1	<b>28.5</b>	30.5%	13.5%	3.9%
2017-18	forecast	0.1	<b>29.5</b>	28.7	0.1	<b>28.7</b>	30.8%	13.6%	4.0%
2018-19	forecast	0.0	<b>30.6</b>	29.1	0.0	<b>29.1</b>	31.0%	13.8%	4.0%
2019-20	forecast	0.0	<b>31.2</b>	28.9	0.0	<b>29.0</b>	30.8%	13.7%	3.9%

Sources: [DWP Benefit Expenditure and Caseload Tables March 2015](#)  
and HoC Library calculations

## 1.3 Key sources of data:

### **HMRC Personal tax credits statistics:**

<https://www.gov.uk/government/collections/personal-tax-credits-statistics>

### **DWP Benefit Expenditure and Caseload Tables:**

<https://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2015>

### **OBR Welfare Trends**

<http://budgetresponsibility.org.uk/welfare-trends-report-june-2015/>