

A

Welfare cap

A.1 Budget 2014 caps welfare spending in scope for the years 2015-16 to 2018-19 at the level of the OBR's forecast, as published in the OBR's March 2014 'Economic and fiscal outlook'. The level of the welfare cap is set out in Table A.1.

Table A.1: The level of the welfare cap and the forecast margin

	£ billion			
	2015-16	2016-17	2017-18	2018-19
Welfare cap	119.5	122.0	124.6	126.7
Forecast margin (2%)	2.4	2.4	2.5	2.5

Source: Office for Budget Responsibility and HM Treasury.

A.2 Table A.2 sets out a full list of expenditure items within the scope of the welfare cap. The Treasury will seek the approval of the House of Commons for any subsequent changes to the list of items of expenditure which fall within the scope of the welfare cap, including where a new welfare cap level and/or margin are being set.

Table A.2: Benefits and tax credits in scope of the welfare cap

In scope of the cap	Not in scope
Attendance Allowance	Jobseeker's Allowance and its passported Housing Benefit
Bereavement benefits	Universal Credit payments to claimants subject to full conditionality and on zero income
Carer's Allowance	State Pension (basic and additional)
Christmas Bonus	Transfers within government (e.g. Over-75s TV licences)
Disability Living Allowance	Benefits paid from DEL ¹
Employment and Support Allowance	
Financial Assistance Scheme	
Housing Benefit (except HB passported from JSA)	
Incapacity Benefit	
Income Support	
Industrial injuries benefits	
In Work Credit	
Maternity Allowance	
Pension Credit	
Personal Independence Payment	
Return to Work Credit	
Severe Disablement Allowance	
Social Fund – Cold Weather Payments	
Statutory Adoption Pay	
Statutory Maternity Pay	
Statutory Paternity Pay	
Universal Credit (except payments to jobseekers)	
Winter Fuel Payments	
Personal Tax Credits ²	
Child Benefit	
Tax-Free Childcare	

¹ These payments are subject to firm spending control through the usual DEL process. Sure Start Maternity Grants, Funeral Expense Payments, New Deal and employment programme allowances, New Enterprise Allowance, Specialised Vehicles Fund and Vaccine Damage Payments have been moved into DEL. War Pensions have been excluded from the scope of the welfare cap as the government will move them out of AME for future years.

² The negative tax element of personal Tax Credits is included within the scope of the welfare cap.