



How to...

*support households affected
by the overall benefit cap*



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In June 2010 government announced that it would cap the total amount of welfare benefits any working age household with children can receive at £500 per week, and at £350 per week for child-free households. The cap was rolled out between April and September 2013 and is now in effect across Great Britain.

Who is affected by the cap?

The benefit cap applies to any working age household apart from those that include someone who is:

- entitled to working tax credit
- receiving certain disability-related benefits (disability living allowance (DLA)/personal independence payment (PIP), the support component of employment support allowance (ESA) or industrial injuries benefit)
- a war widow/widower or in receipt of war disablement pension
- recently unemployed (within the last 39 weeks) after a period of 12 months continuous employment.

Where a household's circumstances mean they would ordinarily be eligible for more money than the cap allows, the difference is deducted from their housing benefit entitlement.

In total DWP and the Treasury estimate that 40,000 households are affected by the cap. They are typically those living in areas with higher than average private rental prices and/or those with larger than average families.

CIH worked with the London Borough of Haringey, one of the first areas in which the cap was rolled out, to develop a detailed understanding of its impact and to identify the ways in which other local authorities could respond to its introduction in their area.

We published a report setting out our findings entitled [Experiences and effects of the benefit cap in Haringey](#) and this 'how to' guide follows on from that report. It is intended mainly for local authorities but will also be useful to other organisations who are affected by the cap, like social landlords.

Your overall approach to supporting households affected by the cap

Any effective response to the cap will involve identifying affected households, engaging in an honest and open discussion of the options that are available to enable them to change their circumstances (see pages 4 - 6), and then providing a package of support to help them to do so.

Putting together a comprehensive package of support will require the involvement of a number of different departments from within your authority, including not just housing and housing benefit but also schools admissions and social services. In addition, it is also essential to draw on the capacity and expertise of external partner organisations, such as social landlords, Jobcentre Plus, credit unions, Citizens Advice Bureaus (CAB) and other voluntary organisations.

Ensuring that this support is delivered in a joined up and co-ordinated manner can be challenging, however there are a number of practical steps which can help you to develop your approach. These include:

- establishing regular partnership meetings
- exploring options for the co-locating of services
- considering carrying out home visits jointly, with staff from different organisations visiting affected households together
- agreeing data sharing protocols, to facilitate the sharing of information about affected households between all of the agencies who are working with them
- providing funding or other support to voluntary organisations, to maximise the contribution that they can make.

Learning from others

Haringey Council and the local Jobcentre Plus identified the likely impacts of the cap in advance of its introduction. They mapped likely support needs to the services already available in the borough and made a number of changes to staffing levels and the location and delivery of services as a result.

These included:

- re-allocating four Jobcentre Plus staff to work as specific advisors to affected households. They were co-located in the Council's central housing office, sitting alongside housing and housing benefit staff, and carrying out joint home visits with them
- the secondment of one worker from welfare rights to the Families First (troubled families) project to provide tailored advice on employment to affected households, and of another within social services to secure accommodation for homeless families not being supported by the housing department
- making arrangements for the local credit union and the CAB to support the delivery of services from the central housing office
- giving extra funding to four employment services (one Council-run, three voluntary) for one year to help 160 people affected by the cap
- the recruitment of two employment workers within a housing association operating in the area.

In addition, the Council also co-ordinated a number of regular partnership meetings to encourage the sharing of information between key partners, including:

- internal Council meetings to ensure co-ordination between different services from across the Council. These involved housing, schools admissions, employment services, benefits, adult social care and children's social services
- a housing association forum which enabled them to link into employment and financial advice services already being provided by social landlords in the area.

Contact: Denise Gandy denise.gandy@haringey.gov.uk

More help with this

For more information, CIH members can download a further briefing on [How to... develop partnerships that make a difference](#)

Working with letting agents and private landlords

It is likely that the majority of households affected by the cap will be living in the private rented sector, putting them at higher risk of eviction than those renting from social landlords. There is also a risk that concerns over the cap might lead more letting agents/landlords to tighten up their conditions on who they are prepared to let to, either by refusing to let to tenants who are in receipt of benefits at all or by only letting to those who are working at least 16 hours a week (the minimum required to be exempt from the benefit cap), thereby reducing the housing options of many more households.

To minimise the likelihood of evictions and to ensure that the private rented sector (PRS) remains a viable option for those in receipt of benefits in your area, good communication with, and reassurance of, landlords and letting agents is essential.

In addition, you could also consider the use of schemes which incentivise landlords to let to particular groups of households, such as:

- rent guarantee schemes
- deposit schemes
- making 'thank you' payments to landlords who let to tenants at risk of homelessness.

Learning from others

Haringey Council's Home Finder scheme helps capped households who face homelessness to look for alternative private rented accommodation. A Home Finder incentive is paid to the landlord when a let is secured if this has helped the council to move a household to prevent homelessness or discharge its homelessness duty. Landlords can also access support and advice from the private sector lettings team on benefits and on landlords' and tenants' rights and responsibilities.

Landlords can only qualify for Home Finder if their property is free from serious hazards, furniture complies with fire safety regulations, and the rent is within the local housing allowance. A tenancy agreement supplied by the council must be used. The council also allows these potentially homeless households to claim Discretionary Housing Payments to cover their moving costs. A small number of households affected by the cap have so far chosen to use this scheme to relocate outside of Haringey.

Contact: Private Sector Lettings Team private.lettings@haringey.gov.uk

More help with this

For more information on working with the PRS, see our previous briefing on [How to... work in partnership with the PRS to tackle homelessness](#).

Options for individual households affected by the cap

Most households affected by the cap will be facing a significant reduction in their income and simply cutting back on their spending will not be enough to allow them to sustain their tenancy over the longer term. In these cases you will need to discuss the options for them to change their circumstances in order to escape the cap. These conversations are likely to focus on two main options, moving into employment or moving to cheaper accommodation.

Each of these is likely to take some time to come to fruition, and so you may also want to encourage tenants to apply for discretionary housing payments to tide them over until a change of circumstances can be achieved.

Applying for discretionary housing payments (DHPs)

DHPs are intended to provide tenants with further financial help towards their housing costs. This means that they are paid in addition to any benefits that the claimant already receives. Anyone who meets the basic eligibility criteria can apply for DHPs, however no one is automatically entitled to receive them. Local authorities consider individual applications on a case-by-case basis and in accordance with their own policies.

Local authorities have a limited budget for DHPs and households affected by the cap will be 'competing' with those affected by other elements of welfare reform, such as the social sector size criteria (or 'bedroom tax'), for payments. In practice, there will not be sufficient funds for you to help everyone and where you do make payments to households affected by the cap, they will need to be for a limited period of time.

Even so, DHPs can be used to create vital 'breathing space' for households who are affected by the benefit cap, enabling them to sustain their tenancy in the short-medium term while they look to move into employment or for alternative housing. As payments are likely to be time limited, it is vital to make sure that they are not used to postpone the problem and that households use the time that they are in receipt of them to change their circumstances.

You need to develop a clear policy on how you will prioritise DHPs. This will enable you to process applications more quickly and to give social landlords operating in your area a clear indication of which of their tenants are likely to qualify for assistance. For households who are affected by the cap, it may be a good idea to include an element of conditionality in your policy. This should be aimed at ensuring that those in receipt of DHPs take meaningful steps to try to change their circumstances while they are in receipt of payments.

Many households will also need support to enable them to access DHPs and, working with social landlords in the area, you need to be proactive in your approach to identifying, advising and assisting those who would be likely to benefit from them.

More help with this

For more information on DHPs, see our previous briefing on [How to... make the most of discretionary housing payments.](#)

Moving into employment

Initial responses to the introduction of the benefit cap in Haringey suggest that seeking employment is the means by which most households are likely to look to change their circumstances. In order to avoid being affected by the cap in the future, claimants need to secure work for a minimum of 16 per week.

In practice some claimants are likely to find this easier than others. Some will have worked in the recent past, will already be looking for work and will be well equipped to move back into employment. Others will need significant support that goes beyond that normally offered by Jobcentre Plus to secure even unskilled work.

Groups that may need particular support include:

- those who had not previously been required to seek work and who have little or no employment history. For some, a lack of awareness of *how* to seek work may pose a significant barrier and you may need to offer considerable support to enable them to overcome this, either directly or by working with local partner organisations
- parents whose childcare commitments restrict the number of hours, or the times at which, they are able to work. To support 16 hours of work, parents will need to secure between 20 and 22 hours of childcare and will often need advice on what is available and on their eligibility for financial assistance
- those with poor English skills, chronic illnesses or certain disabilities, whose employment options may be very limited.

Learning from others

Supamums is a social enterprise that specialises in supporting parents to prepare for employment. They provide inclusive, innovative and tailored programmes that enable parents who have never worked before, or not within the last three years, to move closer to the labour market. Supamums' services are based on their understanding of the particular challenges faced by their customers, and they have increased or further tailored what they offer to meet the needs of households affected by the benefit cap. For these households they focus particularly on the need to move into work quickly, uncertainty around securing and using childcare, lack of knowledge of 'workplace etiquette', and lack of skills to secure or perform in a job. They offer support with job searches, run after school clubs, negotiate access to childcare with nurseries, and provide accountancy services for people setting up their own business. They have also worked with local training providers to develop fast-track courses to help capped households access careers in catering and hairdressing.

Contact: MoniQue Knight info@supamums.co.uk

More help with this

For more information, CIH members will soon be able to download a further briefing on **How do I help tenants to find work?**

Moving to cheaper accommodation

Initial responses to the introduction of the benefit cap in Haringey suggest that moving within the claimant's immediate locality will not be a realistic option for many households. Many are likely to already be living in overcrowded conditions and will therefore not have the option of

downsizing further to reduce costs.

Similarly, moving further afield may also be an undesirable option for many. There are a number of reasons for this:

- they may have children that attend school or college in the area and will be anxious not to disrupt their education
- they may be reluctant to move away from family or friends in the area, particularly where they have caring responsibilities
- they may have particularly strong ties to the local community.

However for some households moving to another area may be a viable option, particularly where they already have friends or family living in another part of the country. For others it may eventually become a necessity, if they are unable to secure employment. Providing support to enable households to move to other areas may therefore become a more important part of your strategy over time.

In doing this you should seek to support 'sustainable moves', for example by:

- providing reassurance, as well as practical and possibly financial assistance
- supporting the creation of new networks and links to statutory and voluntary services in the area the claimant is moving to
- ensuring that the processes for transferring people between services (such as education, social services and disability services) work effectively and that people are not 'lost' or unable to access the services they need in a new area
- reviewing your approach to securing accommodation for homeless households outside of your area and ensuring you understand the impact on services in the areas in which accommodation is secured.

Learning from others

The **London Borough of Brent** has already begun relocating households who are losing large amounts as a result of the benefit cap to homes outside of London. They are currently providing up to 40 properties per month to meet demand from new and existing homeless households.

They are principally rehousing people to the midlands and have procured properties in places that they judge to be sustainable, having considered rental prices, economic opportunities and transport links.

To make the moves as smooth as possible for the households, they:

- assess the needs of the households before identifying any suitable properties
- offer a choice to the families as much as possible, working with families as soon as the Possession Order is granted
- offer support in the new tenancy with a contact agent and tenancy follow up visits at regular intervals
- co-ordinate with the relevant local authority and offer advice to access schools in the area, as much as possible records are transferred to the new school
- avoid as much as possible moving households with a child(ren) in GCSE or A-level courses in school

Contact: Laurence Coaker laurence.coaker@brent.gov.uk

More help with this

For more information, CIH members will soon be able to download a further briefing on **How do I help tenants move to another home?**

Useful resources and information

Experiences and effects of the benefit cap in Haringey

www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/Experiences_and_effects_of_the_benefit_cap_in_Haringey_October_2013

How to... make the most of discretionary housing payments

www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/How_to%2520make_the_most_of_discretionary_housing_payments

How to... work with the PRS to tackle homelessness

www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/How_to_work_in_partnership_with_the_private_rented_sector_to_tackle_homelessness

How to... develop partnerships that make a difference

www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/How_to_develop_partnerships_that_make_a_difference

For further resources to help you support tenants affected by welfare reform, visit www.cih.org/welfare-reform

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