**The Benefit Cap in Manchester**

**Briefing Note for Staff and Partners**

This note is intended for frontline staff and managers within Council services and partner organisations, who may be supporting or likely to support Manchester households due to be affected by changes to the Benefit Cap. This note provides background information and sources of support to assist staff.

**Background**

The Benefit Cap was one of the Coalition Government’s welfare reform measures within the Welfare Reform Act 2012. The stated aims of the Benefit Cap were to:

• increase incentives to work;

• introduce greater fairness into the welfare system between those on out-of-work benefits and taxpayers in employment; and

• make financial savings and incentivise behaviours that reduce long-term dependency on benefits

The first stage of the Benefit Cap was implemented in 2013 and meant that total household benefits were capped at £500 per week (£26,000 per year) for those who have a partner and / or children, and £350 per week (£18,200 per year) for a single person with no children living with them. Around 300 Manchester households were initially affected by this measure.

The government has confirmed plans to reduce the cap further for families/ couples to £384.62 per week (£20,000 per year) and for single people to £257.69 per week (£13,400 per year). The latest data received from the Department for Work and Pensions (DWP) shows that this is likely to affect almost 1,400 households in Manchester, including around 222 households who are already capped. The data suggests that over half of those identified will see their household income drop by over £50 a week with a proportion of these experiencing far bigger reductions. Please see data at the end of this note for further analysis.

For those on Housing Benefit the Benefit Cap is implemented through a reduction in the level of their Housing Benefit, and Local Authorities are responsible for its practical implementation on instruction from the DWP. For those on Universal Credit the cap is applied by the DWP. However the support and advice offered to UC claimants is the same.

The timescales for implementation are led by the DWP and may change. At present, for those on Housing Benefit the new cap level will be implemented for those households already affected by the cap from 7th November 2016. The remaining households will have the cap applied to their Housing Benefit in January 2017. For those receiving Universal Credit who are affected, the change in the cap threshold is also planned for 7th November, but as Universal Credit is paid a month in arrears the first payments affected by the new threshold will be those made from 6th December onwards.

Whether a household is affected by the Benefit Cap depends on which benefits they are receiving. Certain benefits mean that a resident may not be affected (for example Working Tax Credit or DLA/ PIP). For more information on the Benefit Cap and who is affected, please visit [www.gov.uk/benefit-cap](http://www.gov.uk/benefit-cap)

**Communication**

The Department for Work and Pensions, and the Council’s Revenues and Benefits service, have sent separate letters to all of those due to be affected by the cap. The letter from the Revenues and Benefits service includes information on local sources of support and advice. Data on individual households living in social housing has been sent to the Registered Housing Providers, who will be carrying out proactive engagement with their tenants due to be affected. The Council is exploring how tenants of private sector housing can be proactively engaged, within the data sharing guidelines.

If a resident is unsure whether they have received a letter or have misplaced it, and they receive Housing Benefit from Manchester City Council and need to check if they are affected, they should contact the Council’s Benefits Service. Please visit [www.manchester.gov.uk/benefits](http://www.manchester.gov.uk/benefits) for contact details and reception points. If the resident is in receipt of Universal Credit, the Council will not have information on whether they are affected and they will need to contact the DWP Benefit Cap helpline on 0345 600 0723. There is also a Benefit Cap checker on the government website at [www.gov.uk/benefit-cap-calculator](http://www.gov.uk/benefit-cap-calculator)

**Supporting those affected**

Households who have received a letter are likely to request support from services they are currently engaged with or seek advice from partners. If you need to signpost or refer the resident to support, the Council’s commissioned advice service providers have set up a dedicated advice line and email address to triage residents affected by the Benefit Cap. Please see bullets below for information on this and other sources of support.

Supporting those affected into employment is the best way to avoid the cap, as the cap does not apply to people claiming Working Tax Credit. Jobcentre Plus Work Coaches will be supporting those affected, and residents can also access a range of other sources of employment, skills and training support across the city. Residents affected may also need to explore the option of cheaper housing, if available.

Discretionary Housing Payments (DHP) will continue to be available to residents affected by the cap where a need is identified. This applies both to people on Housing Benefit and to those whose Universal Credit includes the housing element. Residents will need to wait until they receive notification from the Council or DWP that their benefit is being reduced before applying for DHP. Claims can be made online at [www.manchester.gov.uk/dhp](http://www.manchester.gov.uk/dhp)

The Council’s Early Help Hubs (EHH) will be provided with information on individual cases where they have an EHH case open, allowing the keyworker to proactively engage and support families affected and discuss their options.

**Wider welfare reform**

The Benefit Cap is part of a wider programme of welfare reform proposed by the government. The cumulative impact of these reforms could be significant for some residents, and increase the risk of them falling into rent arrears and becoming homeless. Proposed reforms include:

* From April 2017 any third and subsequent children born will not be considered for Tax or Universal Credit assessment, and assessment for Housing Benefit eligibility will be restricted to two children.
* Automatic entitlement to Housing Benefit (or the housing element of Universal Credit) will be withdrawn for young people aged 18-21 from April 2017. There will be exemptions for vulnerable people but this has not yet been defined.
* Housing Benefit for social housing is due to be brought in line with Local Housing Allowance rates. Early analysis suggests that whilst LHA will cover the majority of social housing rents, there is a risk to people under 35 who are only entitled to the shared accommodation rate who would have previously been able to claim for a one-bedroom property.
* There are potential impacts for providers of Supported and Temporary Accommodation due to changes in welfare and funding

It is important to encourage anyone who you think might be affected by the Benefit Cap and other welfare reforms to get the appropriate advice and support as soon as possible to prevent them from getting into arrears. Please refer them to the appropriate service and encourage them to attend any appointments.

**Sources of support**

The following are sources of information and support for residents who have received a letter:

* Citizens Advice Manchester, Shelter and Cheetham Hill Advice Centre have a triage helpline for any residents affected specifically by the benefit cap: 0161 204 1744, or residents can email advice@citizensadvicemcr.org.uk
* The DWP benefit cap helpline is 0345 600 0723 for Universal Credit claimants and 0345 605 7064 for all other claimants;or the resident can be advised to speak to their Jobcentre Plus Work Coach
* Residents living in social housing should be advised to speak to their landlord about their options
* For any queries relating to moving home (e.g. finding a cheaper property both in the social and private sector) residents should be directed to the Manchester Move website [www.manchestermove.co.uk](file:///%5C%5Cmcc001c27fdfs%5Cdfs-all%24%5CCEX%5CEconomicDevelopmentUnit%5C1%20Addressing%20Inequality%20-%20Cormac%5CWelfare%20Reform%5CBenefit%20Cap%5Cwww.manchestermove.co.uk). There is a phone number on the website for people to call if they are struggling to use the online system or do not have IT access and need extra support.
* The Council’s website has a range of information on employment and training support at [www.manchester.gov.uk/work](http://www.manchester.gov.uk/work)
* A comprehensive directory of support services in Manchester is available at [www.manchester.gov.uk/helpandsupportmanchester](http://www.manchester.gov.uk/helpandsupportmanchester)

**Benefit Cap Data Analysis**

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| **Benefit Cap - Ward Split (Housing Benefit claimants - September 2016)** |
| ANCOATS AND CLAYTON  | 51 |
| ARDWICK  | 39 |
| BAGULEY  | 30 |
| BRADFORD | 56 |
| BROOKLANDS | 27 |
| BURNAGE  | 46 |
| CHARLESTOWN  | 51 |
| CHEETHAM  | 85 |
| CHORLTON  | \* |
| CHORLTON PARK  | 19 |
| CRUMPSALL  | 54 |
| DIDSBURY EAST  | 5 |
| DIDSBURY WEST  | \* |
| FALLOWFIELD  | 36 |
| GORTON NORTH  | 86 |
| GORTON SOUTH  | 77 |
| HARPURHEY  | 124 |
| HIGHER BLACKLEY  | 51 |
| HULME  | 20 |
| LEVENSHULME  | 24 |
| LONGSIGHT  | 42 |
| MILES PLATTING AND NEWTON HEATH | 60 |
| MOSS SIDE  | 120 |
| MOSTON  | 48 |
| NEW PROPERTY - UNKNOWN | \* |
| NORTHENDEN  | 30 |
| OLD MOAT  | 25 |
| RUSHOLME  | 33 |
| SHARSTON  | 46 |
| WHALLEY RANGE  | 25 |
| WITHINGTON  | 13 |
| WOODHOUSE PARK  | 35 |
| **TOTAL** | **1365** |
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| \* denotes fewer than 5 for data protection purposes |

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| **Tenure split** |
|  | **Number of cases** |
| Social Sector | 705 |
| Private Sector | 660 |
| **Total cases** | **1365** |

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| **Reduction in weekly Housing Benefit**  |
| **Amount** | **Number of cases** |
| No change | 22 (cases already reduced to the £0.50 minimum award of HB) |
| Up to £10 | 109 |
| £10 to £25 | 146 |
| £25 to £50 | 356 |
| £50 to £75 | 236 |
| £75 to £100 | 111 |
| £100 + | 385 |
| **Total** | **1365** |