

## Response to Request for Information

Reference      FOI 000846  
Date            2 February 2017

### ***Households Affected by the Household Benefit Cap***

#### **Request:**

1. Please provide the most recent data available for your local authority:  
[The information we have supplied below is data captured from 31 January 2017.](#)

#### All households

- The number of households who have their benefits reduced by the Household Benefit Cap introduced by the Welfare Reform and Work Act 2016 in your area. (Please include both households who were already subject to the previous benefit cap of £26,000/£18,200, and those newly affected by the lowered cap).  
[At 31 January 2017 there were 507 households subject to the Household Benefit Cap.](#)
- The average reduction in these households' benefit award, and the number of these households who have a reduction of £100 or more a week.  
[The average reduction in weekly benefit was £45.52 and 22 households had a reduction greater than £100.](#)

#### Homeless households in temporary accommodation

- The number of homeless households accommodated by your authority in temporary accommodation who have their benefits reduced by the Household Benefit Cap.  
[Two homeless households were affected by the benefit cap.](#)
  - The average reduction in these households' benefit award.  
[The average reduction for homeless households was £90.61.](#)
2. If you have carried out an assessment of the impact of lowering the cap in your local authority, please provide this document.  
[In response to question 2 above, please see information provided on page 2 of this document.](#)

# Briefing Note

**Title:** Housing benefit update

**Prepared by:** Sue Martin, Head of Revenues and Benefits **Date:** 18 August 2016

**Intended audience:** Internal  Partner organisation  Public  Confidential

## Purpose

To provide information about introduction of the lowered benefit cap and an update on recent announcements concerning roll out of the Universal Credit (UC) programme.

## Background and context

The benefit cap was introduced in 2013 and limited the total annual amount of benefit a household could receive to £26,000 (£18,200 for households without dependent children). From November 2016 the cap will be reduced to £20,000 (£13,400 for households without dependent children).

Universal Credit replaces a range of benefits including Housing Benefit for people of working age. The Universal Credit programme began to take new claims on a geographically phased approach from October 2013. By April 2016 new claims from single people were directed to UC in all areas of the country, reaching Wolverhampton in January 2016.

Recent announcements from DWP suggest that full implementation of UC will not now be completed until 2022 rather than 2017 as was originally publicised.

## The benefit cap

The cap is imposed by reducing housing benefit or universal credit. Families where someone receives certain disability related benefits or working tax credit are exempt from the cap.

At present just over 100 families are having their housing benefit reduced due to the benefit cap. The highest reduction is £150 per week and the total annual value of benefit reductions is in the region of £250,000 - £300,000.

The Department for Work and Pensions (DWP) has supplied information about cases that will be affected by the lowering of the benefit cap and whilst there needs to be some caution around accuracy, it broadly indicates that annually:

- a further £300,000 of reductions will be made to housing benefit for families already capped
- £1.5 million of reductions will be made to housing benefit for families not currently capped
- in total after November, over £2 million of housing benefit will be removed due to the benefit cap

The breakdown of existing / new cases and tenure type is estimated in the following table

	No of Existing Cases	No of New cases	Total Cases	Current reduction £000	Additional reduction existing cases £000	Reduction new cases £000
RSL tenants	4	77	81	12	4	160
Private tenants	36	248	284	113	129	665
Council tenants	68	273	341	141	187	675
<b>Total</b>	<b>108</b>	<b>600</b>	<b>706</b>	<b>266</b>	<b>320</b>	<b>1,500</b>

The DWP have written to every family that is predicted to be affected and will offer face to face interviews with some of the families. It is however clear that support beyond this will be needed, particularly for approximately 250 private tenants who are unlikely to receive support from their landlord to match that provided by tenants of Wolverhampton Homes and registered social landlords.

Work has already started and is being co-ordinated through a corporate group that has representation from across the council and including Wolverhampton Homes and the Troubled Families Team. The Government has provided new burdens funding to assist with the additional work resulting from the benefit cap and it is proposed that some of this is directed to creating a temporary additional resource within the welfare rights team to specifically support private tenants.

As was the case in 2013, some short term financial assistance can be provided through Discretionary Housing Payments (DHPs). Government funding for DHPs has increased this year by £120,000 to recognise the impact of the benefit cap however the fund clearly cannot fully make up the shortfall for every affected family. At the time of writing this briefing paper and before any awards to families affected by the revised cap, £240,000 remains unspent from the 2016/17 DHP allocation of £806,000. It is therefore likely that awards will be time limited and will not cover all of the housing benefit reduction.

### **The Universal Credit programme**

A recent DWP announcement has provided new information about the timeframe to complete the full implementation of UC for new and legacy claims. The programme is not now expected to be complete until 2022.

Currently, only 'simple' new claims from single people are accepted for UC in all areas of the country. The next stage of the rollout expands the programme to all new claims from May 2016. This phase of the programme is expected to last until September 2018 with new areas being brought into the programme in batches.

No date has been announced for the expansion to all new claims in Wolverhampton however the DWP has said the full schedule will be announced by November this year. The migration phase of the programme, which is the transfer of existing recipients of housing benefit, will not start until July 2019 with completion in March 2022. Nothing is yet known about how the migration phase will be sequenced, for example geographically or by claim type.

The announcement also states that housing benefit for pensioners will not be absorbed into pension credit until the completion of the UC timetable "... so Local Authorities can expect to be delivering housing benefit for pensioners into the next Parliament beyond 2020".

In Wolverhampton the UC rollout is still restricted to new claims from people without dependents and to date just over 200 claims have been directed to UC rather than housing benefit. This means that no appreciable change in workload for housing benefit administration is anticipated in the short term and may not occur before September 2018. It will however be important to keep this under review as information is released by DWP not only from a resource planning and retention perspective but also because of the interaction with council tax support administration.

### **Financial implications**

There are no immediate financial implications although the funding of housing benefit administration will have implications in the future.

**Legal implications**

None

**Equalities implications**

None

**Environmental implications**

None

**Human resources implications**

None

**Corporate landlord implications**

None

**Background papers**

None