

Introduction

The benefits cap sets a maximum figure on the total benefit that can be paid to individuals or households for. A claimant whose benefits exceed a maximum figure and who is not working sufficient hours will have their housing benefit reduced. Although the cap has been trialled in the boroughs of Croydon, Bromley, Haringey and Enfield, it is now being rolled out and is expected to be implemented in Wandsworth from 12th August. The cap will be in place nationwide by 30th September 2013.

Who will be affected?

The cap is only for those of working age, so a claimant old enough to receive pension credit will not be affected. Those working in excess of 16 hours per week (for single parents); in excess of 24 hours (for couples – including one person working more than 16 hours); or over 30 hours for single people over the age of 25, will remain similarly unaffected. A claimant who has been made redundant will not be affected by the cap for the first nine months following their redundancy.

Benefits included in the cap

- Bereavement Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance
- Guardian's Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance

Claimants in receipt of any of the following benefits should be exempt from the cap:

- Personal Independence Payments
- The support component under ESA for those with severe illness
- Attendance Allowance
- Industrial injuries benefits
- War widow/widower's pension

The following should not be considered when calculating the benefits cap:

- Housing benefit for those living in supported housing
- Child maintenance
- Armed forces independence payment
- Bereavement payment
- Cold weather payments
- Council tax benefit
- Discretionary housing payments
- Free school meals
- Retirement pension
- State pension credit
- Social fund payments
- Working tax credit

What options do people have?

There is no right of appeal against the application of the cap in an individual case. Claimants should, however, check that they are eligible for any of the exempting benefits, and should seek advice immediately if they should be exempt but are having their benefits capped.

Claimants who succeed in gaining employment will not be affected (see '*Who will be affected?*' for details of the minimum number of hours required).

LOVE TO LEARN

working with new communities
supporting education and learning

Love to Learn works across
Wandsworth with young people
from refugee backgrounds and
their families or carers.

We work to raise achievement and
improve social engagement of
children from refugee communities
through a variety of strategic
interventions.

The cap in figures....

£500 per week for a couple with or
without dependant children

£500 per week for single parents
with dependant children

£350 per week for single people
without children, or with children
who don't live with them

Getting Advice

Those concerned about how the
cap will affect them should contact
specialist advice agencies such as
the **Citizens Advice Bureau** on
08444 111 444 , or **Shelter** on
0808 800 4444.

Likely consequences of the cap

We anticipate that the cap will have a devastating impact on Wandsworth's poorest and most vulnerable residents. Areas expected to be hardest hit are Latchmere, Roehampton, Balham and Tooting.

We are particularly concerned about the following impacts on our clients and other refugee families.

1. **Penalising large families.** Large families will be disproportionately affected in Wandsworth, due to the higher costs associated with maintaining larger families. 80% of those impacted will have three or more children. In a city with the world's second-highest childcare costs, finding enough employment to avoid the cap will be out of the question for many of these families, particularly for single parents with young children.

2. **Dislocation.** Claimants struggling to pay rent after their housing benefits have been cut will face eviction. With 868 households being moved out of the borough last year, significant numbers affected by the cap are expected to be relocated of the borough and quite possibly out of the city. The process is likely to involve considerable delays, upheaval and expense while alternative accommodation is provided. This will undermine existing relationships claimants have with the local community – from friends and neighbours – to access to vital services and any part-time work.

3. **Turning our backs on refugees.** This dislocation is likely to have a particularly dramatic effect on refugee families such as those of our clients. A stable and supportive environment is essential for those who have experienced the trauma of conflict or persecution. Being made to leave their homes and relocating to another part of the country, away from family and friends and familiar support bases, will exacerbate hardships already endured.

3. **Disruption to children's education.** The changes will ultimately harm children; their welfare, security and education. Rather than being counted as individuals, a child is considered only as a member of a household, regardless of how many siblings that child may have. Disruption will have a highly detrimental effect on children studying for their GCSEs or A-Levels, and on their subsequent employment prospects.

4. **Homelessness.** The cap will lead to a surge in levels of homelessness, with estimates putting the figure at 40,000 nationally. Refugee families who may not be aware of the support available from their local authorities may be particularly at risk.

5. **Polarisation of rich and poor.** Several other boroughs are already planning to move hundreds of their residents to cities more than 100 miles away, an act that will only deepen the ghettoisation of our communities. If this were to occur in Wandsworth, it would change the character of the borough from that of a vibrant, mixed economy, to one supplanted by unaffordable housing and off-limits facilities catering for its wealthier new residents.

Administrative concerns

Leaked government documents reveal that, taking into account the costs of administering the cap, the changes are actually likely to generate a net cost. These calculations include the cost to local authorities of dealing with homelessness applications and of providing temporary accommodation to those who lose their homes.

Wandsworth residents are reportedly being made aware of the cap through door-to-door visits by Wandsworth Borough Council staff. We are concerned that the sheer numbers affected (770 households, c. 5,000 people), will make it difficult to reach everyone before the cap is implemented. Further, as there is no plan to provide interpreters for these visits, this is likely to be of limited use to our clients

Lastly, the council's main strategy for supporting those affected will be a referral to the Job Centre, where poor treatment of clients by staff are unfortunately all too common. We are concerned that job centre referrals are premised on the idea that claimants receive benefits because they can't find employment. However, there are many reasons people are unable to work, including single parenthood, as well as those who are sick, suffer from mental health problems, or are disabled but do not qualify for Personal Independence Payment.

Although there is now an adviser based at Wandsworth JCP, providing advice on benefits including the cap, the value of this measure is highly limited in a context of continuous cuts and increasingly stringent conditions for benefits such as PIP.

The impact on Wandsworth in figures

- According to Wandsworth Council's housing department, at least 770 households in the borough are expected to be impacted.

- 239 of these households are in council housing, while 578 are in privately rented accommodation

- The 55 households most affected will receive just 50p per week in housing benefit.

Recommendations

1. We join other organisations in calling on the government for a total scrap of the benefits cap.

2. We urge Wandsworth Borough Council (WBC) to commit to relocations within the borough, should claimants lose their homes.

3. WBC should provide full access to information and advice, and where necessary provide claimants with interpreters.

4. Lastly, we call on WBC to monitor the impact of the cap on the borough, in particular, the effects on the demographics of the borough and the effects on children and their education.