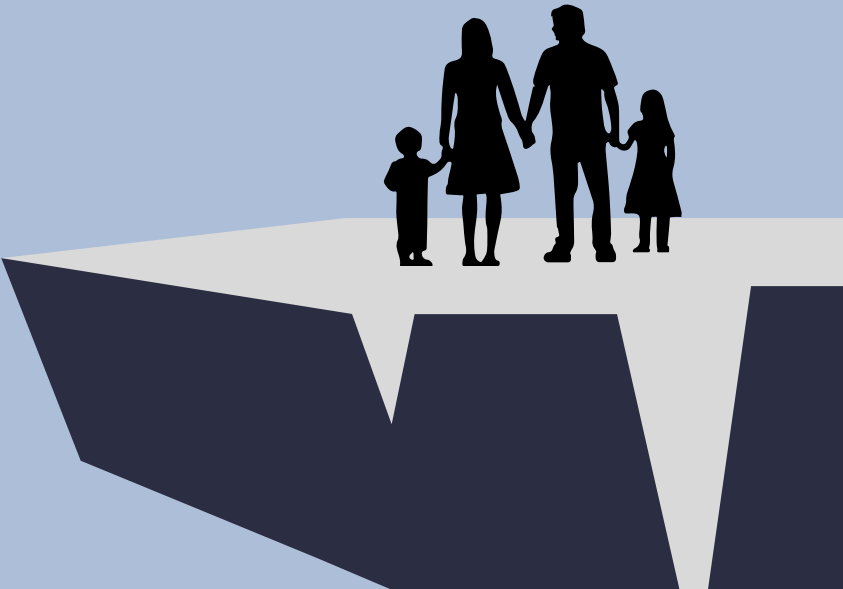




# SCRAP THE CAP

## BRIEFING

January 2022



# THE BENEFIT CAP

The benefit cap, which came into effect in April 2013, is a limit on the total amount of means-tested benefit payments an individual or family can receive. As of May 2021, 190,000 households are affected by the cap, receiving on average £55 per week less in support than they would if the cap was not in place.

With some exceptions, the cap affects households claiming benefits where no one works more than 15 hours per week. The policy affects mostly families with children, especially lone parent families (with the majority of lone parents being women) and people with high housing costs.

Originally, the capped amount reflected the average earned income of a working household's take-home pay, but by 2017 all new and existing claimants affected by the cap received a new lower amount.

For those affected, social security payments are capped at £20,000 per year for families (outside London), equivalent to £1,666.67 per month.

The cap is implemented through a reduction in either Housing Benefit or Universal Credit, depending on whether the household remain on legacy benefits or have already moved onto Universal Credit.

## SCOTLAND

There are a total of 6437 households currently capped in Scotland. Single parents with children (9/10 of whom are women) are disproportionately affected by the cap: 67.8% of capped households in Scotland are single parent households.

**“Several of the young people we support need to use a foodbank weekly, no matter how much help and advice we offer with budgeting and cutting costs, they do not have enough money to cover basic living costs.”**

# SCRAP THE CAP

The Scrap the Cap campaign is calling on the UK Government to remove the benefit cap, which places a limit on the total amount of benefit payments a person or family can receive. We believe that it is wrong, in principle, to sever the link between the support a person needs and the level of support they receive.

## NEW SURVEY RESULTS

The Poverty Alliance conducted a small-scale survey seeking insights into how being subject to the benefit cap has adversely impacted individuals and families. From the 29th November 2021 to 11th January 2022 we received responses from 26 individuals who are affected by the benefit cap, and 21 organisations who work with individuals and families affected by the cap. The preponderance of responses were from individuals and organisations located across Scotland, but we also received responses from several areas England too. Here is what we found.

**“Unless you’re living on this amount of money no one will understand how hard it is a single mother. You feel like you have let your children down.”**

# SURVEY FOR INDIVIDUALS AND FAMILIES DIRECTLY IMPACTED BY THE BENEFIT CAP

26 individuals completed our survey. Respondents represented a range of different ethnic groups, geographical areas across Scotland and England, ages, and household circumstances. The majority of respondents were single, white, women, and aged between 36 to 55.

62% of respondents (16) said that in a normal month they do not have enough money to cover basic household expenses such as rent, utilities, and food. 31% (8) said it varies from month to month, with only 2 respondents reporting that they have enough money to get by on each month - though both these respondents have experienced hardship at some point since becoming subject to the cap.

Since becoming subject to the benefit cap, all respondents reported that, at some point, they have had to take measures to either increase their income or decrease their outgoings by means that would be considered detrimental to their overall wellbeing.

Measure taken	No. respondents
Taken out a pay-day loan	5
Taken out some sort of loan	7
Borrowed money from friend or family	19
Used a foodbank	12
Applied for Government grant	8
Received DHP	5
Cut back on food expenses	18
Reduced gas/electricity usage	20
Skipped social engagement	19
Missed payment for rent or utilities	15
Missed a payment for rent or council tax	12
Been forced to move to cheaper accommodation	3

25 out of 26 respondents report that their mental health has worsened because of their financial circumstances caused by the benefit cap. 10 respondents report that their physical health has worsened due to the effects of the benefit cap.

Over half of the respondents already live in the cheapest type of accommodation, i.e. they rent from local authorities or housing associations.

## **SURVEY FOR ORGANISATIONS WORKING WITH INDIVIDUALS AFFECTED BY THE BENEFIT CAP**

Twenty-one charitable and statutory organisations completed the survey, most of whom work directly with individuals and families affected by the cap, with one organisation working indirectly with such individuals.

The organisations work with individuals facing a wide variety of circumstances, such as carers; families living in poverty; young people under 25 experiencing homelessness; individuals with mental and physical disabilities/health conditions; adults with substance abuse issues, and with those struggling with problem debt.

They provide a variety of services such as welfare rights advice and support; advice on income maximisation and budgeting; debt advice; help

finding employment; housing related support including applications for Discretionary Housing Payments and grants; emotional support including counselling, and making referrals to foodbanks.

We asked respondents to tell us what sort of actions their clients/service users have been forced to take, either to increase their income or reduce expenses, since becoming subject to the benefit cap. All organisations who responded to the survey had worked with individuals who were forced to take actions which would be considered detrimental to the individual's wellbeing and the wellbeing of their family.

All organisations reported having worked with individuals, often regularly, who had been forced to:

- Use a foodbank
- Borrow money from friends or family
- Cut back on food expenses

Most organisations (between 17-19) reported having worked with individuals who had been forced to:

- Reduce your gas/electricity usage
- Miss a payment for bills such as utilities or phone/internet
- Miss a payment for rent or council tax to pay for other essentials like food or heating
- Move to cheaper accommodation or faced eviction
- Skip a social engagement with friends or family due to the cost

Over half reported having worked with individuals who had been forced to:

- Take out a loan to cover expenses such as Christmas, birthdays, car or appliance breakdown, or at the beginning of the school year
- Take out a pay-day loan to cover basic expenses
- Apply for a grant through the Scottish Welfare Fund

Some organisations also reported having worked with families who had been evicted from their homes, fallen into problem debt, and parents who had kept their children off school because they could not afford the associated costs.

## JOIN THE CAMPAIGN

For more information about the campaign or to get involved please contact [suzi.murning@povertyalliance.org](mailto:suzi.murning@povertyalliance.org)

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