

## **AGENDA ITEM**

### **REPORT TO COUNCIL**

**11 DECEMBER 2013**

### **REPORT OF CORPORATE MANAGEMENT TEAM**

## **WELFARE REFORM INCLUDING UPDATE ON DISCRETIONARY HOUSING PAYMENTS POLICY AND LOCAL COUNCIL TAX SUPPORT SCHEME**

### **SUMMARY**

To present an update on quarter 2 monitoring of the outcomes / impact of Welfare Reform and to update members following a review of our Discretionary Housing Payments (DHP) Policy and the Local Council Tax Support Scheme.

As referred to in the minute extract at Appendix 3 Cabinet agreed the following recommendations:-

1. The contents of the report be noted.
2. Members consider the proposed new timescales for the migration of the housing benefit functions to DWP and note that a detailed risk assessment will be completed and presented to Members once further information is available.
3. Members note the quarter 2 performance monitoring outcomes.
4. Members note the operation and impact of the existing DHP Policy and agree to it continuing in its current form.

### **RECOMMENDATION**

Council are asked to:

5. Continuation of the existing Local Council Tax Support Scheme following the annual review.

### **INTRODUCTION**

1. Previous reports have detailed the introduction of the Welfare Reform Act 2012 which set out Government's intention to reform the benefits & tax credits system to provide greater incentives to work. This report provides details of the second quarters monitoring using the framework agreed by Members in July 2013. The Department of Work and Pensions (DWP) have recently updated the timetable for roll out of universal credit including more information as to when Local Authority's will cease to provide housing benefit and the housing function will be administered by DWP as part of Universal credit. Information on the new arrangements are detailed in this report. An update on implementation of the revised Discretionary Housing Benefit Payment Scheme implemented in April 2013 and the Local Council Tax Reduction Scheme are also detailed in the report with recommendations for policy in these two areas in the financial year 2014/15.

### **BACKGROUND**

2. Welfare Reform means several changes to benefits, the introduction of which is staggered across different geographical areas over a period of time, as detailed below:

- Personal Independence Payment (PIP) replaced Disability Living Allowance (DLA) for new claims in Stockton from April 2013 and across Great Britain from 10 June 2013. From 28<sup>th</sup> October 2013 4 areas (not Stockton) are piloting the transfer of existing DLA customers to PIP. Plan to roll this out to all areas between October 2015 through to late 2017.
- Removal of the spare room subsidy / Restriction to Housing Benefit (April 2013).
- Transfer of responsibility for elements of The Social Fund to Local Authorities (April 2013).
- Local Council Tax Support Scheme (April 2013).
- The Benefit Cap (from 15<sup>th</sup> July 2013).
- Universal Credit (roll out delayed from October 2013 – dates for full roll out to be confirmed by DWP).

### **Claimant Commitment**

3. From October around 100 jobcentres a month began the roll out of the Claimant Commitment. Jobseekers will be given a weekly timetable of tasks to complete. This new form of Jobseeker's Agreement will set out more fully a benefit recipient's responsibilities in order to receive state support. Those who fail to comply with their responsibilities risk losing their benefits.

### **Universal credit pathfinder update**

4. Four Pathfinders are now taking claims for Universal Credit the majority of which have been made online (Ashton-under-Lynne, Oldham, Warrington, Wigan). The scope of pathfinders is single people aged 18-60 who are new benefit claimants.
5. Reports are of people moving into work as can be expected with this claimant group
  - Claimants making use of services provided by local authorities
    - Internet Access Devices
    - Support to make a UC Claim online
    - Personal Budgeting Support
  - Process in place to make alternative payments to vulnerable claimants; these include
    - Split payment
    - Managed payment i.e. landlord paid housing costs
    - More frequent payment period i.e. fortnightly
  - Frequently asked questions guide for Landlords due to be produced by pathfinders and published September/October. This will help SBC determine some of the issues that are arising in the pathfinder areas.

### **6. Future Planning of Universal Credit**

- The DWP has recently announced that the full rollout of Universal Credit will be postponed., The next stage of the delivery programme began instead on 28 October 2013 with Hammersmith Jobcentre accepting claims from new jobseekers. This will be expanded to a further five Jobcentres: Rugby, Inverness, Harrogate, Bath and Shotton between October 2013 and spring 2014.
- The scope of these areas will remain the same as the pathfinder areas until April 2014 and possibly 2015.
- Work will also be undertaken on the national IT system required to facilitate the rollout and operation of Universal Credit. It has also been determined that more training is required for clients in support of future on-line access, a requirement of the new Universal Credit.
- Proof of Concept being developed for handling wide range of UC claimants.
- April 2014 – December 2014
  - Testing Proof of Concept - about 100 claimants including couples, those with children, mortgage cases etc.
  - Summer 2014 increased volumes to about 1,000 claimants.

- December 2014 system fully tested to support 10,000 claimants, national roll out and migration.
- Quarter 1 – 2015
  - Start of national roll out
  - Start of managed migration

### **Staffing and Administrative Grant**

7. In our borough we were originally expecting the roll out of Universal Credit to start in October 2013. The uncertainty around rollout makes planning ahead extremely difficult and we cannot at present consider reducing staffing numbers until we have definite dates. DWP have previously indicated that as work load decreases with the roll out of UC so will the administrative grant we receive from Government. In terms of staffing the current position is that TUPE will not apply to our housing benefit staff and therefore around 66FTE's will be displaced or may leave if alternative opportunities arise. This latter situation could cause some problems as experienced staff are difficult to recruit and we may have to use expensive agency staff. The situation with staffing will be carefully monitored. We have recently been informed that the investigation of Housing Benefit fraud will pass to the DWP in 2014 but there are no details about whether TUPE applies, timescales for migration etc.
8. On 1 August 2013, Lord Freud wrote to LA Chief Executives giving the reassurance that DWP would maintain the level of LA funding required to manage the full administration of HB in 2014/15. We have recently received further details and Stockton's total administration grant for 2014/15 has been split between HB and LCTS at an approximate rate of 80% / 20% with a 10% reduction in line with the spending review.

### **Retained Services**

9. There remains real uncertainty about which elements of the benefit service will remain with the local authority. However currently the indications are as follows:-
  - Discretionary Housing Payments for Universal Credit Cases.
  - The housing cost element for Exempt Supported Housing – under discussion.
  - Housing costs for those living in temporary accommodation – under discussion.
  - Local Council Tax Support.
  - Pensioner housing costs – this may transfer but after 2017, i.e. after UC has been implemented. It is not intended that these costs are to be included in Universal Credit.
  - Recovery of outstanding Housing Benefit and LCTS overpayments.
  - Appeals / reconsiderations / written enquiries / for LCTS, DHP and overpayment decisions / decision in relation to exempt accommodation and for some time in relation to old housing benefit cases.
  - Fraud investigation for LCTS (should the LA decide to have a fraud presence) and possibly to handle fraud enquiries from the new SFIS in connection with former HB cases.

### **National and Local IT**

10. There has been lots of coverage and media speculation about the readiness of the national IT system to ensure the migration of locally held data and input of new data. It seems clear that substantial work is required in this area and this is likely to have impacted on the delay in local roll out. There will undoubtedly be complex work for local authorities and significant risk when we begin to migrate data across to DWP. At this stage a detailed risk assessment will be carried out and managing IT will be a significant part of the project plan for managing the transition of work to DWP.

## **Local Services Framework**

11. Members will recall we were consulted by DWP on the introduction of a Local Support Services Framework in March of this year, the details of which we presented to Cabinet on 11<sup>th</sup> July 2013. The idea of a LSSF was to support people who are vulnerable to claim universal credit, maintain their claim and get advice on debt and money management and help back into work. DWP have now considered the feedback from the consultation in addition to gathering information from the pilots about their experiences. DWP now state they will produce an updated version of the LSS Framework in October 2013 and the final version in Autumn 2014 to allow partners to plan their services for the financial year 2015/16. Until further guidance is produced, financial support identified and timescales for local rollout is more precise we are unable to progress the development of our own local services framework.

## **Framework for monitoring the impact of Welfare Reform**

12. Members agreed a framework for monitoring the impact of the Welfare Reforms which includes both qualitative and quantitative data collection as detailed below:
  - Monitoring of performance indicators and activity data.
  - Case Studies – To capture multiple impacts not always collectable through data sets.
  - Use of Survey Data to capture, impact on lifestyles, mood, feeling happy/ healthy / positivity measures.
13. Work on developing the definitions and source of the information for the performance measures has been underway since agreement in July. Available data has been collected retrospectively for the second quarter of this financial year and is available on the SBC agenda system at **Appendix 1** along with some observations.
14. A number of the measures are being collected to the same definition across the region. This will allow for comparisons between authorities in the region and provide data that can be aggregated to identify impact on the region. Where available this will form part of the regular report to Members.
15. A template has been developed to capture case studies through a number of organisations supporting those impacted by the Welfare Reform changes. These are being collated and a couple of case examples which show how the impact of interventions are attached at **Appendix 2**.
16. Data and analysis from all 3 methods of collection will continue to be used to inform:
  - Policy Shaping
  - To provide information to the Elected Leadership and Executive of the Council
  - To benchmark regionally / nationally
  - To identify any emerging trends.
  - Measure short, medium and long term impact
    - Lobby as appropriate.

## Local Council Tax Support Scheme

17. The Local Government Finance Act imposed a duty upon local councils to adopt a Local Council Tax Support Scheme to replace Council Tax benefit from April 2013. Members will recall that following detailed consultation in 2012, which showed the majority of consultees in favour of the 7 principles of the proposed scheme, our current Local Council Tax Support Scheme (LCTS) was agreed by full Council in January 2013.

18. The current LCTS scheme was developed, following consideration of a number of options, which were designed to safeguard the financial position of the council whilst trying to ensure that the effect of the scheme would not disproportionately affect any particular group of residents. The current scheme spreads the shortfall in revenue across the working age caseload meaning all working age claimants have a minimum percentage of the council tax to pay which is currently set at 20%. An increase of £5 in the standard earning disregard was also introduced. Members will recall that pensioners receive the same amount of support under the LCTS scheme as they did prior to its implementation. The current LCTS scheme is no longer fully funded but instead a fixed grant is provided which is at a level at least 10% below that of estimated expenditure.
19. The initial grant for the LCTS Scheme has now been rolled into the general Revenue Support Grant (RSG) and is therefore no longer a separately identifiable sum. Based on the Technical Consultation Papers issued by CLG in July 2013, the RSG, including the former LCTS grant, is expected to reduce by around 21% in 2014/15 (a reduction of around £10.2m) and to reduce by a further 30% in 2015/16 (a reduction of around £12.5m). The expected reduction in RSG is factored into the MTFP reported to Cabinet in Nov 2013. It should be noted that any reduction in the 20% minimum payable by taxpayers would create a financial pressure and conversely any increase in the minimum payable would generate a saving, assuming claimant numbers unchanged.

#### An update on the current Local Council Tax Support Scheme

20. The introduction of the LCTS scheme impacted upon low income residents in the borough, with 6,600 residents required to pay council tax for the first time, and a further 6,100 paying an increased amount.
21. In-year collection of Council Tax for 2012/2013 was 98.2%, the highest in-year collection performance achieved since the introduction of Council Tax in 1993. Long-term collection rates (after 5 years) were around 99.1%. The impact of Council Tax Support on both in-year and long-term collection performance is being monitored through the agreed welfare reform monitoring framework. As anticipated, the introduction of Council Tax Support has seen higher levels of non-payment amongst those people on low income that are having to pay for the first time, or pay more as a result of the changes and this has impacted on overall collection performance.
22. Collection Performance is monitored monthly and we can see a reduction in 2013/2014 figures when compared to the previous year:
- Percentage of 2012/2013 Council Tax charges collected by the end of September 2012 = 57.49%
  - Percentage of 2013/2014 Council Tax charges collected by the end of September 2013 = 56.26%
23. We can break down collection rates further:
- Percentage collected to end September from those paying for the first time following the introduction of Council Tax Support = 41.72%
  - Percentage collected to end September from all Council Tax Support cases = 44.40%
  - Percentage collected to end September from all Council Tax payers = 56.26%
24. If this trend continues, it is estimated that overall in-year collection performance for 2013/2014 will be around 96%, and in-year collection performance for Council Tax Support accounts will be around 75%. Long-term collection performance will be higher as we continue to collect arrears beyond the end of the financial year.
25. We have taken a prudent approach to the potential impact on the Council's MTFP by reducing the expected collection rate and by not budgeting for any Collection Fund surplus in future years. We are assessing the impact of the drop in collection rates on the Collection Fund and MTFP and will

report back when this assessment is complete, however early indications are that although the overall sum collected is lower than in previous years, it is expected to be higher than estimated as part of the budget due to the prudent estimates of the impact of CTS scheme and the changes to empty property discounts. We will also be reviewing the long-term collection assumptions that feed into the Council Tax Base calculation to determine the appropriate collection rate to be applied for 2014/2015.

#### Hardship Fund

26. As part of 2013/2014 budget setting, a £100,000 hardship relief fund was allocated to support those struggling to pay their Council Tax. A lower than expected take-up has led to some promotional work around the availability of this fund. This has included links with Five Lamps so that, whilst dealing with Back on Track applications, they can identify potential claimants for Council Tax hardship relief and support them with completing an application. Links have also been established with SDAIS, Housing Options and the Benefit Service, again to identify Council Tax payers that might meet the criteria for relief. It is anticipated that the number of applications will increase during the second half of the year as non-payment cases become subject to the latter stages of enforcement action and the newly appointed Council Tax Visiting Officer role becomes effective.

#### Support for Residents

27. Significant effort has gone into providing support for residents specifically via the Stockton Advice and Information Service and in house Welfare Rights Service with ongoing support sessions held in local community venues and libraries to assist with welfare benefit take up and also debt advice and management. The £85K resources allocated by Cabinet to fund additional staff in the Customer Contact Centre, Stockton Advice and Information Service and in house Welfare Rights Team has allowed residents to maximise income, improve budgeting skills and manage debts. Specific work has been undertaken to support people subject to the Benefit Cap.

#### **Discretionary Housing Benefit Payments**

28. Welfare reform changes from April 2013, in particular the introduction of size criteria rules for tenants of registered social landlords have resulted in financial challenges for those tenants who cannot afford to make up the shortfall between the housing benefit payment and the rent charged. Government funding has increased but it is sufficient to cover only 7% of the additional shortfalls.
29. Discretionary Housing Payments (DHP's) were introduced by the Discretionary Financial Assistance Regulations 2001 and exist to provide housing benefit recipients with further financial assistance where the council considers that further help with housing costs is required. The legislation gives very broad discretion but decisions must be fair, reasonable and consistent.
30. The government provides a limited cash sum to local authorities to fund the scheme. In the current financial year we were awarded £395,000. This can be topped up by the LA to an overall cash limit which is 2.5 times the government contribution. Payments must not exceed the cash limit. Each case must be decided on its own merits, and the amount of government funding remaining cannot be a factor in decision making.
31. Whilst this appears a substantial sum it does not cover the loss of income residents have experienced as a result of the recent welfare reforms and therefore resources have to be rationed.
32. Payments in Stockton have historically been made in cases of hardship, usually on a temporary basis until underlying problems (such as debt or unaffordable rents) can be tackled. Resources have been previously targeted at the prevention of homelessness. In some cases a lump sum discretionary payment has been made to cover bonds, rent in advance or removal costs in order to facilitate a move to more affordable accommodation.

## Removal of the spare room subsidy in the social rented sector

33. In Stockton over 2,100 households have been affected by the removal of the spare room subsidy with an average loss of £14 a week. Some of the national government funding is provided specifically to assist two groups of people affected by the under occupation rules – disabled people in significantly adapted properties, and foster carers if they require more than one additional room for foster children, , although this element has not been identified or ring fenced when individual allocations have been made.

## Household Benefit Cap

34. The benefit cap restricts benefits received to a maximum of £350 per week for a single person or £500 per week for a couple or lone parent. In Stockton approximately 57 families were affected in the first phase of implementation. Since October monthly scans of the DWP caseload mean that this is a fluctuating figure. - Specific and targeted support is being directed to these families as many families are struggling with high levels of debt.

## DHP's

35. Any claimant who has a shortfall between the amount of housing benefit awarded and the rent charged is able to make a claim for DHP.
36. Our current scheme targets people who fall within one of the priority groups detailed in the table below:-

Priority Group	Examples of Cases
<b>Disabled People and Vulnerable Adults</b>	<ul style="list-style-type: none"> <li>Couples who cannot share a bedroom because of disability</li> <li>Families requiring an extra room because of disability – for medical procedures, storage of equipment etc.</li> <li>Families with disabled children who require an overnight carer.</li> <li>Adaptations (other than significant adaptations) have been made to the property for a disabled person.</li> <li>Disabled or frail elderly people who need accommodation close to carers and support networks.</li> </ul>
<b>Safeguarding Children</b>	<ul style="list-style-type: none"> <li>People going through the approval process to become foster carers/ adoptive parents who need to demonstrate that there is a bedroom available.</li> <li>Kinship Carers.</li> <li>Families with a child temporarily in care but where the child is expected to return home.</li> <li>Families where there are child protection concerns.</li> </ul>
<b>Emergency Circumstances</b>	Where a person has had to relocate urgently because of emergency circumstances such as fleeing violence, witness protection or family emergency.
<b>Families affected by the benefit cap</b>	For a temporary period until a managed transition can be made where the family is taking steps to deal with the issue.
<b>Exceptional Circumstances</b>	Other cases where not making a discretionary payment would have an exceptionally detrimental effect upon the health or wellbeing of the family or individual.

37. In addition the following criteria applies:-

**The claimant cannot afford to meet the shortfall between benefit and rent.** An assessment of income and outgoings is carried out for all but “fast track” DHP applications, and assistance provided only where the claimant has insufficient income to meet all or part of the shortfall. Applicants are signposted to agencies to assist with dealing with debt, money management, work preparation, smoking cessation etc. If there is insufficient income solely because of debt, it is unlikely that additional support will be provided. Income from disability benefits and other income normally disregarded for benefit purposes will be taken into account but expenditure related to that income- such as disability related expenditure will also be taken into account.

and

**The claimant is unable to take action to improve his/ her situation or is taking all reasonable steps to do so.**

In order to qualify for a DHP payment applicants are expected to engage with support providers, not commit themselves to further unaffordable debt etc.

and

**It is unreasonable to expect the claimant/ family to move,**

This takes into account personal circumstances and may include factors such as

- Additional bedrooms required over and above the size criteria requirements
- Local support networks
- Critical points in children’s education
- Short term support requirement, until circumstances change

or

**The DHP application assists the claimant to move to more suitable accommodation**

These will usually be lump sum applications to assist with a bond or rent in advance etc to facilitate a move

### **Expenditure**

38. Expenditure on DHP’s is monitored on a monthly basis and the number and types of awards are continually scrutinised to ensure that resources are targeted to areas of most need and that there is equitable treatment of client groups. At the point of writing this report we have committed just less than a third of the funding which is less than anticipated. On this basis we have carried out a full review of spending to date, have re examined reasons for refusal and are in discussion with partners about take up. With limited resources we inevitably had to have tight criteria whilst ensuring we commit resources as appropriate. No recommendation is being put forward for a revised policy as awards can be made by exercising more flexibility within the existing policy.
39. Two additional DHP officer roles have been created on a temporary basis using DWP funding to handle the significant increase in requests for help from the DHP fund. Joint arrangements have also been set up between the housing benefit and the housing options services to work with customers to try and find a long term, sustainable solution whilst the immediate financial difficulties are addressed using the DHP fund. By the end of Q2 we had received 538 applications and have been able to help 237 customers.

### **FINANCIAL IMPLICATIONS**

40. DWP have allocated £395,220 funding for discretionary housing payments in Stockton for 2013/14. It will be necessary to ensure we maximise these resources whilst not overspending. Funding for future years is not known. Possible impact on MTFP/Council Tax collection, impact on staff/potential redundancy costs.



## **LEGAL IMPLICATIONS**

41. Requirements for the DHP scheme are specified in the Discretionary Financial Assistance Regulations 2001. The requirement for a LCTS scheme is contained in the Local Government Finance Act which received Royal assent on 31 October 2012. Legal requirements within the Local Government Finance Act relating to consultation have been adhered to. The existing scheme complies with legal requirements.

## **RISK ASSESSMENT**

42. The discretionary housing payment policy is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk. There are potential risks to collection rates for Council Tax, increases in homelessness and demands on customer services, advice agencies etc.

## **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

### **Environment and Housing**

43. A key principle of Discretionary Housing payments is to assist people to live independently in their own accommodation and to help sustain tenancies.

### **Children and Young People**

44. DHP's are specifically targeted to assist families with disabled children to live independently, help support foster carers, support families affected by the benefit cap and help provide some financial support and stability to families in crisis situations. Additional advice and information provision will support economic well-being and build on work to prevent homelessness by providing access to effective support and advice services.

### **Healthier Communities and Adults**

45. DHP's are targeted to assist disabled people, those with care needs and other vulnerable adults. In certain cases providing financial stability and helping to maintain a resident in suitable accommodation can help to maintain physical and mental health and wellbeing. The scheme promotes the provision of support for vulnerable adults and older adults within our communities. Current and future pensioners will be protected, receiving the same level of support as under the previous Council Tax Benefit scheme. For working age claimants the means test will acknowledge additional costs associated with bringing up a family, caring for others or coping with disability.

### **Stronger Communities**

46. The proposals to continue to refer residents to advice and information provision will promote financial inclusion, providing residents with access to financial advice.

### **Older Adults**

47. Older adults are exempt from many of the welfare reform changes and are likely to place less demand on the DHP scheme, but additional support will be provided to those affected who are approaching retirement age. Support for those with medical needs is targeted to many older residents.

### **Community Safety**

48. There may be community safety implications arising from increasing numbers of tenants unable to afford to pay rent as a result of the welfare reforms.

## **EQUALITIES IMPACT ASSESSMENT**

49. An equalities impact assessment was carried out in 2008 in relation to the DHP fund and judged to have a positive effect. Further funding has been provided and it is judged that a further assessment is not required. However equality issues have been considered as an intrinsic part of the development of this policy, and regard has been had to national equality impact assessments of the effect of the welfare reforms.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

50. Previous member seminars on welfare reform, Select Committee consideration of key issues.

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Education related N/A

Background Papers: None.

Ward(s) and Ward Councillors: See above.

Property: N/A

**Welfare Reform Indicators - Quarter 2 Performance**

**Available on agenda.**

## CAB Case Studies

### **SG's\_case**

Client suffers from bi-polar depression and received Disability Living Allowance (DLA). She attended service as she was concerned over a transfer from Incapacity Benefit and Income Support to Employment and Support Allowance. Our worker helped her complete the ESA50 questionnaire as she was having difficulty doing it herself. On discussing her case with her to maximize her potential claiming the worker identified that attending work focused interviews and involvement in the work programme was likely to worsen her condition substantially. The worker completed the form demonstrating her problems in this area. Following the completion of the form the client has reported that the (higher) Support Component of ESA has been awarded.

We assessed her entitlement to DLA and the potential risk that might occur with reassessment. She decided not to seek a review this but we noticed that she had regular input from her daughter who stayed overnight 2-3 times a week, when the client was in a bad phase. We advised her that, as her daughter stayed over on a regular basis to help in connection with her health the client could be exempt from the over occupation charge that had been levied on her rent. We helped her to draft a letter requesting this. The claimant had known about this in general terms but had thought the carer had to be there full time to qualify.

On checking the outcome a month later were pleased to identify that the client had obtained Employment and Support Allowance at the Support Component rate and receives full Housing Benefit.

### **She is better off by £34.00 per week**

719061 – There was a significantly higher than average increase in April 2011 in respect of Non dependant deductions (NDD) from Housing Benefit which are paid where there are adults (e.g. grown up children) living in the Household. NDDs have continued to increase substantially above earnings. The NDD in respect of the client had increased by 19% to £70.20 in April 2013. The client is finding this contribution difficult together with board and other costs but her parents are facing 14% "Spare Room Subsidy" already and have to pay more council tax.

On discussing the case further, it was identified that her father was in receipt of the Middle rate of the DLA care component.

This meant that her father should have been entirely exempt from NDD. We also advised her to suggest to the father that he might benefit from a maximization check and may want to consider a DHP in respect of the extra room.

### **The Household is at least £70.20 better off per week**

Also 3 cases, by way of example of work on avoiding potential benefit cap, started pre April (but with outcomes after April) in respect of the project undertaken in conjunction with HB/Housing Options:

1. A was facing a Benefit cap but we identified potential entitlement for DLA in respect one of her children which would have exempted her. Her child received her entitlement of £74 a week which not only exempted the claimant from the cap but meant she could be treated as a carer (entitling her to the Carers Premium of £33.30) and qualified her for the Disabled Child Premium on Tax Credits. Thus she not only avoided the Cap but obtained much needed help to cope with the extra costs associated with her disabled child.

**She is better off than she would have been by £170 pw**

2. C was a single parent with a potential benefit cap of £68 – we identified that one her children would be entitled to the Lower rate of Disability Living Allowance which the child subsequently received. This exempted her from the cap and also qualified her for the Disabled Child Element.

**In addition to the exemption from the potential cap, weekly household income increased by £78 per week**

3. K was a single parent who was also subject to a benefit cap of £68. We helped her claim DLA and she was awarded the lower rate of both components which exempted her from the cap. We also referred her to our Money Advice team for help with managing her debts.

**In addition to the exemption from the potential cap, weekly household income increased by £42 per week**

**(More benefit cap examples are available if needed)**