

Important Information on the introduction of the Benefit Cap

Monday 12 August 2013

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Background

From 15 July 2013, a cap (a maximum limit) will be introduced on the total amount of benefit that working age people can receive if they are not working.

Birmingham will commence work on affected claims from 12 August 2013 onwards. The Government expects all Authorities to apply the benefit cap by the end of September 2013.

The total amount of benefit paid (including Housing Benefit) will be limited to:

A maximum of £500 a week: If you are a couple (with or without children) or a lone parent.

A maximum of £350 a week: If you are a single person.

The cap will apply to combined income from the main out of work benefits (Income Support, Jobseekers Allowance, Employment Support Allowance etc.), Housing Benefit, Child Benefit and Child Tax Credits.

Housing Benefit will be reduced so that a claimant cannot get more than the cap figure which applies to their circumstances. This will mean that there will be a shortfall in their rent that they will have to make up out of their other money.

Implementation

During the implementation process (12 August - 30 September 2013) a Benefit Cap team will be set up to deal specifically with those claims affected by the benefit cap in Birmingham.

This team will be responsible for processing benefit cap cases as notified by the Department of Work and Pensions (DWP). Officers will do a 100% check of all cases alongside the DWP before a benefit cap is applied.

Officers will also provide affected claimants with initial signposting and support where required. A direct line telephone number will be made available for customer queries during the period of the project. This will be manned by Birmingham City Council and DWP staff.

Communications

Customers affected will receive a detailed letter from the Benefit Service at the point their benefit is capped (see attached example). This will contain information about:

- What the benefit cap is and how it has been applied (and where further information can be obtained)
- employment support available to customers via the Department for Work & Pensions (DWP)
- housing advice available to customers to sustain tenancies / for those seeking cheaper accommodation
- money advice available to customers to support financial budgeting
- financial assistance available via the Discretionary Housing payment scheme
- crisis support available via the Local Welfare Provision scheme

This information is being briefed out to internal / external partners so that all are aware of the support mechanisms in place. It will also be contained on Birmingham City Council webpages.

Further Information

The attached FAQs document provides further information about how the benefit cap is applied and what help and advice is available to customers.