

Housing Benefit Circular

Department for Work and Pensions

Caxton House, Tothill Street, London SW1H 9NA

HB A10/2016 (2nd REVISION)

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit staff
ACTION	For information
SUBJECT	Administration of the benefit cap 2016

Revision

We apologise for any inconvenience caused but this circular is re-issued with revised guidance regarding Dual cases, Specified Accommodation regulation changes and enhancements regarding Grace Period entitlement. Please destroy the previous version.

Guidance Manual

The information in this circular does affect the content of the HB Guidance Manual. Please annotate this circular number against *paragraph 5.20 – 5.159*

Queries

Extra copies of this circular/copies of previous circulars can be found at <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars>

- about the
 - **technical content of this circular**, contact la-benefitcap.changesnational@dwp.gsi.gov.uk
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Administration of the benefit cap 2016

Introduction

1. This circular contains details of the changes that are part of a package of welfare reform measures announced by the Chancellor of the Exchequer in the Summer Budget on 8 July 2015.
2. The Summer Budget 2015 announced changes to the level of the benefit cap so that households will no longer be entitled to receive more than £20,000 in benefit nationally (£13,400 for single adults with no children) or £23,000 (£15,410 for single adults with no children) in Greater London, which is defined as the 32 London boroughs and the City of London.
3. As you are aware the new regulations to support this welfare reform legislate that the changes to the benefit cap levels will come in to force from the 7 November 2016. The Department for Work and Pensions (DWP) wrote to potentially affected claimants between 19 and 30 September 2016, to inform them that they may be subject to the cap. Universal Credit claimants will be notified separately, either face to face, by letter or online.
4. Households that meet the qualifying conditions for Working Tax Credit (WTC) will be exempt from the cap. This includes claimants who may satisfy the qualifying conditions but whose earnings mean they receive no actual tax credits. Claimants entitled to Carer's Allowance (CA) (including the equivalent claimants in Universal Credit) and Guardian's Allowance (GA) will become exempt from the benefit cap on 7 November 2016, when these wider changes are introduced. This was announced in Parliament during the passage of the welfare reform and Work Act. There are other exemptions from the cap; details of which can be found at paragraph 10.
5. The benefit cap will be implemented by local authorities (LAs) as part of the administration of Housing Benefit (HB) payments. In the long term however, it will be administered as part of the Universal Credit system.
6. The new regulations: Statutory Instruments 2016 No. 909, the Benefit Cap (Housing Benefit and Universal Credit) (Amendment) Regulations 2016 can be found [here](#).

Working age benefits included

7. The benefits that will be taken into account when calculating the cap are:
 - Bereavement Allowance (BA)
 - Child Benefit (ChB)
 - Child Tax Credit (CTC)
 - Employment and Support Allowance (ESA) (contribution-based and income-related) except where the support component has been awarded

- Housing Benefit (HB)
 - Incapacity Benefit (IB)
 - Income Support (IS)
 - Jobseeker's Allowance (JSA) (contribution-based and income-based)
 - Maternity Allowance (MA)
 - Severe Disablement Allowance (SDA)
 - Widow's Pension, Widowed Mother's Allowance, and Widowed Parent's Allowance.
8. The amount to be used in the calculation is the full award before the repayment of any overpayments or payments to third parties, with the exception of CTC where the regular payment amount is used. However, if earnings, capital or other income are taken into account in the assessment of a claimant's benefit, the amount to be used when calculating the total household income for benefit cap is the award of benefit less any deductions for earnings, other income or capital.
9. Where the claimant is subject to a benefit sanction the amount included in the cap calculation is the full award before any reductions as a result of the sanction.

Households that aren't affected by the cap

10. The cap will not apply where a member of the household qualifies for:
- Working Tax Credit (WTC) (a claim for WTC must be made)
 - Disability Living Allowance (DLA)
 - Personal Independence Payment (PIP)
 - Attendance Allowance (AA)
 - Industrial Injuries Benefits (IIB)
 - ESA, if paid with the support component
 - Armed Forces Compensation Scheme Payments (AFCS)
 - Armed Forces Independence Payment (AFIP)
 - War Pensions Scheme Payments (WPS) (including War Widow's/Widower's pension and War Disablement Pension)
 - Carer's Allowance (CA) (including the equivalent claimants in Universal Credit)
 - Guardian's Allowance (GA).

Definition of household

11. The definition of a household for the purpose of applying the benefit cap is:
 - a single adult or
 - a couple and
 - any child or qualifying young person, for whom that adult or couple are treated as responsible for, when working out their HB.
12. A HB claimant cannot be exempt from the cap based on the circumstances of a non-dependant living in the same house, even if non-dependant deductions are being made.

Working with DWP

Benefit Cap Processing Team

13. The Benefit Cap Processing Team (BCPT) is responsible for administering the cap for DWP. They will be conducting accuracy checks on the rates of all DWP and HM Revenue & Customs (HMRC) awards before any case is submitted to an LA for a potential cap to be applied. LAs will be notified of all existing and new awards potentially subject to the benefit cap and any changes of circumstances via Automatic Transfers to Local Authority Systems (ATLAS). The BCPT is also responsible for answering complex queries from LAs regarding the benefit cap.
14. The LA/DWP email notification template (see Appendix 1) is used when exchanging information between LAs and the BCPT. This form includes personal details and must be sent using a secure email account (Government Connect Secure Exchange (GCSX) in England and Wales, Government Secure Exchange (GSX) in Scotland). DWP will only send responses to a secure email address. This template must be used when:
 - the claimant is no longer in receipt of HB in the borough
 - the LA has reason not to apply the cap to a current or newly capped claim after receiving an 'Apply cap' notification from DWP
 - the HB award amount has changed, and where this takes the total amount of benefits below the cap threshold
 - the claimant wants to query the itemised calculation, other than HB
 - the claimant has a query on a grace period (see Para 51)
 - other complex queries not covered by the above.
15. In all cases the LA must include the current award of HB (full award, not capped amount), and the date it is effective from.
16. The BCPT will endeavour to deal with any queries and respond to the claimant within the standard three hour call back time.

17. In exceptional circumstances the BCPT may need to clarify the claimant's circumstances with the LA before completing the benefit cap assessment. In these cases they will send the LA/DWP email notification template to the LA with details of the query.

Data sharing

18. DWP shares customer information securely with LAs under existing data protection protocols. Once the information is with an LA they become the owner of that information and their existing data share arrangements apply in line with the Data Protection Act. LAs will have their own data sharing policies in place to securely share information for individual tenants with Registered Social Landlords, housing associations and private landlords. It is only appropriate to share information if it is in the interest of the customer, which it would be where the Registered Social Landlord/housing association own the housing stock (and in some cases LAs have contracted with them to provide support).
19. DWP is also able to share the claimant's employment status which may help LAs administer the cap effectively. This data sharing will be a local agreement with Jobcentre Plus.

DWP and LA action

20. Although legislation allows it, DWP will not expect LAs to administer a cap until DWP has sent the LA a notification to apply the cap.
21. The notifications that DWP will send to LAs are:
 - Apply cap
 - Remove cap
 - Reconsider/Adjust cap because of a change of circumstances
 - Make LA aware of a grace period

Out of borough cases

22. The cap level applicable to a HB claimant is the relevant LA rate where they reside. HB claimants who reside out of borough (i.e. the LA pays HB to a claimant living in another LA) may require a different cap level to be applied. LA IT systems will identify those instances when a different cap level needs to be applied for Out of Borough cases. This will be the level based on the LA where they live. DWP will continue to notify the owning LA when a cap needs to be applied/ amended due to the absence of a HB claim at the other LA. The Discretionary Housing Payments (DHP) guidance provides advice regarding the discretion LAs have in deciding which LA will pay the DHP in these circumstances.

Double capping

23. A double-capped case is a case where the claimant was subject to the cap under the 2013 benefit cap threshold level and subsequently changed their address to avoid being capped or reduce the amount of the cap level. It is clearly possible for such cases to be capped again under the new 2016 benefit cap threshold levels. DWP will offer all claimants (except those on who are on the Work Programme or Workchoice) identified as double-capped a voluntary additional 40 minute intervention to discuss their options. This intervention is for claimants to have additional time with a Work Coach to improve their work readiness or to seek work. At this interview DWP will also consider any additional support that may be available to the claimant (for example, DHPs or other options available) and sign-post to the LA accordingly.

DWP action

24. The BCPT will consider each case before sending the notification to the LA. The BCPT member will make a check in all cases to ensure:
- the personal details shown in the household details screen for claimant/partner are correct
 - the number of dependent(s) shown in household details screen, if applicable, are correct
 - there are no awards of exempt benefits in place
 - there is no eligibility for a grace period
 - the gross amount of benefits shown in the benefits award screen are correct
 - the cap threshold shown in the confirmation screen is correct.
25. The BCPT has access to the ChB on-line system and can therefore see up to date information on the current award of ChB. This means the LA can be confident that the ChB award included in the cap calculation is correct. The BCPT also check the New Tax Credit (NTC) system to verify the awards. DLA/PIP computer service/ Customer Information System (CIS) will be used to check awards of DLA/PIP in payment to dependant children.
26. Following these checks, where a benefit cap may still apply, the Benefit Cap Application System (BCAS) will produce a benefit cap notification, which will be passed to the LA via ATLAS.

LA action

27. Once an LA receives the notification to cap a claim they must add the current weekly award of HB to the DWP/HMRC benefits in payment, appropriately reducing the amount of HB from the Monday following the

date the LA decision is made. This process is designed to be mainly automated through the LA IT systems.

28. HB must be reduced by the amount of benefit the claimant is entitled to over the cap level. If the amount of the reduction would completely exhaust the HB in payment, then the LA must leave £0.50 pence per week in payment. Annex A, examples 2 and 5 provide examples of these calculations.
29. DWP may not be able to identify claimants who are in receipt of AFCS, Guaranteed Income Payments or WPS; this includes War Widow's / War Widower's and War Disablement pensions. All other benefit cap exemptions will be identified by DWP. In cases where the LA identifies an exempt benefit that has not been picked up by DWP, the LA must use the agreed LA/DWP email notification template process to tell DWP of the exempt benefit.
30. When the LA identifies a discrepancy with the claim, such as the ATLAS record suggesting the claimant has a partner or where LAs records show a single claimant, the LA must suspend the HB claim until it can confirm the claimant's circumstances. If the benefit cap calculation needs to be amended the LA should send the LA/DWP email notification template to BCPT.
31. When the LA does not apply the cap on a case they should notify the BCPT, using the LA/DWP email notification template, of the reason why the cap was not applied. The LA should include the current award of HB, including a nil amount in those cases where HB is no longer in payment. An example Award Notification can be found at Annex B.
32. In exceptional cases DWP may need to send a clerical notification to a LA. In these cases BCPT will make contact with the LA to advise that a clerical cap notification will be sent, forwarding on the relevant paperwork.

New claims

33. LAs will receive new claims to HB from claimants that are likely to be subject to the cap. In these cases the LA should assess and decide the claim as normal, whilst providing any help and advice it feels appropriate. DWP will identify these cases on subsequent scans and notify the LA of the requirement to cap the case. This should help ensure that the cap is applied accurately and consistently.
34. DWP will conduct the same checks as described in paragraph 24. LAs should then take the same action as for the current claims. The HB should be reduced from the Monday following the LA decision to apply the cap.
35. If the LA does not apply the cap on a case they should notify the BCPT of the reason why using the LA/DWP email notification template. The LA should include the current award of HB, including a nil amount in those cases where HB is no longer in payment.

36. An LA may want to include a process where it attempts to identify new claimants that may subsequently be subject to the cap. Although an LA will not be required to cap a case until instructed by DWP, they may want to alert claimants to the fact that benefit may be reduced if their total benefit is over the threshold. The LA may want to work with these claimants in order to change their circumstances so that the cap would no longer apply.
37. If an LA receives a claim for HB from a claimant and there is no break in claim the LA should re-instate the claim with the cap in place, using the previous benefit amount sent by DWP.
38. If the LA receives a claim for HB from a claimant who has been subject to the benefit cap in the four weeks preceding the new HB claim (at the same address), the LA should send the LA/DWP email notification template to the BCPT to confirm a break in claim has occurred. The LA should include the current rate of HB in payment. DWP will then confirm the DWP and HMRC amounts and will send a new 'Apply cap' notification. The LA should wait for the new 'Apply cap' notification before reinstating HB.

Change of circumstances

DWP action

39. The BCPT will be responsible for notifying the LA of changes of circumstances to any DWP/HMRC benefits where claimants are currently capped. The BCPT will be notified of the change either via daily CIS reports or through a monthly scan of the benefit system.
40. The BCPT will undertake the same checks as described at paragraph 24 before sending the notification to the LA via ATLAS.

LA action

41. The effective date for a change of circumstance that requires an adjustment to the benefit cap will differ depending on the circumstances of individual cases. If the change results in:
 - a 'Remove cap' notification because the household becomes exempt, or a reduction in the cap amount that increases the amount of HB to be paid, then the change is effective from the date of the original change of circumstances and any arrears can be paid as in Annex A, examples 4 and 9
 - an increase in the capped amount and a decrease in payment of HB, the change is effective from the Monday following the decision as in Annex A, example 3. No overpayment will have accrued for the period between the original effective date of change and the date the LA makes the decision to amend the cap.
42. The LA should only amend the cap without the 'Reconsider cap' notification from DWP when the change only affects the HB amount. This includes

when the claimant changes address within the borough. The LA should use the existing cap notification and add the new HB award and continue to apply the cap. As the previous cap notification remains in place the LA cannot pay over the appropriate threshold.

43. If the claimant reports a change of circumstances to the LA, that also affects DWP/HMRC benefits; the LA should reassess the HB entitlement and send the LA/DWP email notification template to the BCPT with details of the new HB award, and the change. The LA should also advise the claimant to report the change directly to DWP and HMRC. The LA must still apply the cap to any payments they may make using the existing DWP benefit rates.
44. The LA should then await the revised benefit cap notification from the BCPT.
45. The BCPT will then undertake a new check of the amounts of benefit in payment and once the change has been processed they will notify the LA via ATLAS of the change to the cap.
46. Overpayment action may be required if the change reduces the rate of HB award and a delay in actioning the change is caused by a failure to disclose, or fraudulent action by the claimant. If the reduction in HB results in the cap being removed and the claimant has been overpaid that overpayment should be calculated and administered as normal. Annex A, example 6 provides an example of this calculation.
47. If the claimant starts work and satisfies the conditions for an HB extended payment, the LA can remove the cap and the payment can be made at the full HB award without the cap. You should complete the LA/DWP email notification template to notify BCPT that the claimant has satisfied the conditions for an extended payment.
48. Annex A includes a further 7 examples of changes of circumstances and how the various changes affect the cap including change in earnings for Universal Credit.

Dual cases

49. Where an LA pays HB for two claims for one claimant DWP will combine the two HB amounts to make the initial calculation of the overall benefits the claimant receives. Apply cap notifications for cases where more than one HB claims exists are automatically outputted by the LA IT system for clerical intervention.
50. The LA apportions a benefit cap pro-rata over the two HB claims. For example, if the claimant receives HB of £100 and £80 and a cap of £80 needs to be apportioned then the HB due to be paid will be £56 on the first claim and £44 on the second.

Grace period

51. BCPT will administer the grace period entitlement process and will provide details to the LA via ATLAS.
52. A claimant or partner who has worked for 50 weeks out of the 52 weeks immediately preceding the last day of work and has not been entitled to JSA, ESA or IS for more than a total of 2 weeks (14 days) in the 52 week period will be eligible for a grace period. These weeks (days) do not need to be consecutive.
53. Once a grace period has been awarded using the qualifying criteria described above, the grace period will run for a fixed unbroken period of 39 weeks, even if during any of that time there are occasions when the claimant is exempt from the cap, or not entitled to working age benefits at all. If a case needs to be re-assessed, for example after a break in the claim, and the existing grace period from a previous claim has not expired the grace period will remain in place until the 39 week period is completed. A grace period will not be extended beyond 39 weeks for any reason.
54. DWP will treat someone as being employed if they are on:
 - maternity leave and in receipt of Statutory Maternity Pay (SMP)
 - paternity leave
 - adoption leave
 - in receipt of Statutory Sick Pay (SSP)
55. BCPT will consider if a grace period should apply by looking at benefit systems to see if there is clear evidence of continued employment. Where applicable a grace period will then be applied. Where systems do not confirm eligibility, but BCPT has reason to believe a grace period may still apply, BCPT will telephone the claimant to gather the necessary information. BCPT will then issue the grace period self-declaration letter and when returned will decide if the grace period should apply. BCPT will notify the claimant and the LA of the start and end date of the grace period. They will then notify the claimant again four weeks before the grace period end date.
56. Where a claimant does not meet the criteria for a grace period, the BCPT will make a record on BCAS and send the grace period 'does not apply letter'.
57. When the claimant provides evidence of entitlement to a grace period after the cap has been implemented, DWP will send the LA 'Remove cap' notification stating that a grace period has been awarded. The notification will include the dates of the grace period as this may result in arrears of HB being paid.
58. Either member of a couple can meet the eligibility for a grace period.

59. When a claimant notifies DWP of a new partner and one of them has previously had a grace period which still has time remaining, the grace period will apply to the new couple.
60. When both members of the newly formed couple have had a grace period in their own right, the grace period that has the longest time remaining will apply to the new case.
61. When a couple separate and one or both make a new claim to benefit, the time remaining on the grace period previously awarded on the couple's case will be applied to both.
62. When a claim is received from someone who has recently separated, that claimant can apply for a grace period based on the circumstances of their ex-partner. If that ex-partner would satisfy the conditions for a grace period, this can be claimed by the person submitting the claim.

Appeal and reconsideration

63. The regulations do not allow for an appeal which is based solely on the application of the cap of the amount set out in the legislation. Any appeal in respect of an award of HB, where the benefit cap has been applied will be treated in the same way as any other appeal against an award of HB. As the LAs will be making a new HB award decision at the time of applying the cap, claimants will be able to appeal against the actual decision and the normal appeal process will be followed, to assess if it is in jurisdiction or not.
64. The cap will still apply while any appeal to an exempt benefit is outstanding.

Specified Accommodation

65. Specified Accommodation (SA) covers four areas
 - Supported Exempt Accommodation(SEA)
 - Managed properties
 - Refugees
 - Hostels
66. Since April 2014, HB paid to households in (SA) is disregarded in a benefit cap calculation.
67. The household, however may still be subject to a benefit cap if the other benefits (i.e. DWP/HMRC benefits) exceed the cap level the LA should reduce the HB accordingly. Annex B, example 11 provides an example of this calculation.
68. If DWP is aware that the case is an SA case it will calculate the cap with nil HB. If DWP is unaware that the case is an SA, a notification to apply a cap may be sent by DWP. In these instances, where the DWP/HMRC benefits

do not exceed the cap level, the LA must complete the DWP/LA email template and send it to the BCPT explaining that the tenancy is SA and that the claimant's benefits are below the cap level.

69. The Single Housing Benefit Extract scan includes SA as a tenancy type. It is important that LAs, once they are aware that a claim relates to SA, ensure this field is correctly completed. DWP will then be able to identify and calculate SA claims correctly.

Discretionary Housing Payments

70. The government has provided additional funding through DHPs of £40 million in 2016/17. This is to support those claimants affected by benefit cap who, as a result of a number of complex challenges, cannot immediately move into work or into more affordable accommodation. All the usual DHP rules apply; however, the increased funding is aimed at a number of groups who are likely to be particularly affected by the benefit cap. These include, but are not limited to:

- those in temporary accommodation
- individuals or families fleeing domestic abuse
- those with kinship care responsibilities
- individuals or families who cannot move immediately for reasons of health, education or child protection
- households moving to, or having difficulty finding more appropriate accommodation
- those with dual liability for housing costs
- women within 11 weeks of the expected week of childbirth
- households with a child aged 9 months or under.

Annex A

Examples of benefit cap calculations

1. **These examples are based on the rates for claimants living in Greater London and also the rest of Great Britain as detailed below:**
 - Claimants living elsewhere in Great Britain
 - £20,000 a year or £384.62 per week for couples with or without children, or lone parents with a child
 - £13,400 a year or £257.69 per week for single adults.
 - Claimants living in the Greater London boroughs and the City of London
 - £23,000 a year or £442.31 weekly for couples with or without children, or lone parents with a child
 - £15,410 a year or £296.35 weekly for single adults.

2. Rates of benefits used are purely illustrative for the purposes of explaining how the cap will be applied.

Example 1a: Current claim, cap level applicable £442.31 (London: couple/lone parent (LP))			
Benefits in payment before 7 November 2016		Total benefits in payment post 7 November 2016	
Jobseeker's Allowance	£114.85	Jobseeker's Allowance	£114.85
Child Tax Credit	£223.86	Child Tax Credit	£223.86
Child Benefit	£34.40	Child Benefit	£34.40
Housing Benefit	£110.00	Housing Benefit	£110.00
Total benefits in payment	£483.11	Total benefits in payment	£483.11
Cap Level	£500.00	Cap level	£442.31
Total cap to Housing Benefit	£0.00	Total cap to Housing Benefit	£40.80
Housing Benefit payable	£110.00	Housing Benefit payable	£69.20

Example 1b: Current claim, cap level applicable £384.62 (Great Britain: couple/LP)			
Benefits in payment before 7 November 2016		Total benefits in payment post 7 November 2016	
Income Support	£73.10	Income Support	£73.10
Child Tax Credit	£223.86	Child Tax Credit	£223.86
Child Benefit	£61.80	Child Benefit	£61.80
Housing Benefit	£140.00	Housing Benefit	£140.00
Total benefits in payment	£498.76	Total benefits in payment	£498.76
Cap Level	£500.00	Cap level	£384.62
Total cap to Housing Benefit	£0.00	Total cap to Housing Benefit	£114.14
Housing Benefit payable	£140.00	Housing Benefit payable	£25.86

Example 2: Cap higher than amount of HB in payment, cap level applicable £384.62			
Benefits in payment before 7 November 2016		Total benefits in payment post 7 November 2016	
Income Support	£73.10	Income Support	£73.10
Child Tax Credit	£251.00	Child Tax Credit	£251.00
Child Benefit	£61.80	Child Benefit	£61.80
Housing Benefit	£100.00	Housing Benefit	£100.00
Total benefits in payment	£485.90	Total benefits in payment	£485.90
Cap level	£500.00	Cap level	£384.62
Total cap to Housing Benefit	£0.00	Total cap to Housing Benefit	£99.50
Housing Benefit payable	£100.00	Housing Benefit payable	£0.50

Example 3: Change of circumstance, new child arrives 6 Decembers 2016, cap level applicable £384.62			
Current benefits in payment from 7 November 2016		LA adjusts benefit from 6 December 2016	
Jobseeker's Allowance	£111.45	Jobseeker's Allowance	£111.45
Child Tax Credit	£117.18	Child Tax Credit	£170.52
Child Benefit	£34.40	Child Benefit	£48.10
Housing Benefit	£150.00	Housing Benefit	£150.00
Total benefits in payment	£413.03	Total benefits in payment	£480.07
Cap level	£384.62	Cap level	£384.62
Total cap to Housing Benefit	£28.41	Total cap to Housing Benefit	£95.45
Housing Benefit payable	£121.59	Housing Benefit payable	£54.55
Although HB paid has gone down, we will not want to create an overpayment. The change should therefore be processed from the first Monday after the date a decision is made by the LA.			

Example 4: Change of circumstance, two children leave home 1 February increasing HB, cap level applicable £384.62			
Current benefits in payment from 7 November 2016		LA adjusts benefit from 1 March 2017	
Jobseeker's Allowance	£73.10	Jobseeker's Allowance	£73.10
Child Tax Credit	£210.00	Child Tax Credit	£170.52
Child Benefit	£73.90	Child Benefit	£20.70
Housing Benefit	£125.00	Housing Benefit	£125.00
Total benefits in payment	£482.00	Total benefits in payment	£389.32
Cap level	£384.62	Cap level	£384.62
Total cap to Housing Benefit	£97.38	Total cap to Housing Benefit	£4.70
Housing Benefit payable	£27.62	Housing Benefit payable	£120.30
LA have underpaid by £92.68 per week from 1 February 2017 to 1 March 2017 so arrears are due from 1 February 2017.			

Example 5: Non-dependant moves in 1 March 2017, cap level applicable £442.31

Current benefits in payment from 7 November 2016		LA adjusts benefit from 1 March 2017	
Jobseeker's Allowance	£1111.45	Jobseeker's Allowance	£1111.45
Child Tax Credit	£268.35	Child Tax Credit	£268.35
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£136.00
Total benefits in payment	£653.70	Total benefits in payment	£589.70
Cap level	£442.31	Cap level	£442.31
Total cap to Housing Benefit	£199.50	Total cap to Housing Benefit	£135.50
Housing Benefit payable	£0.50	Housing Benefit payable	£0.50

HB paid has not changed; LA should apply the change to the cap calculation from the Monday following the date the decision is made, even though the HB underlying entitlement has gone down from 1 March 2017.

Example 6: Non-dependant moves in 1 March 2017, cap level applicable £442.31. Change takes claimant below cap level and claimant fails to declare change to LA.

Current benefits in payment from 7 November 2016		LA adjusts benefit from 5 April 2017	
Jobseeker's Allowance	£1114.85	Jobseeker's Allowance	£1114.85
Child Tax Credit	£63.84	Child Tax Credit	£63.84
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£136.00
Total benefits in payment	£452.59	Total benefits in payment	£388.59
Cap level	£442.31	Cap level	£442.31
Total cap to Housing Benefit	£10.28	Total cap to Housing Benefit	£0.00
Housing Benefit payable	£189.72	Housing Benefit payable	£136.00

In this example the cap no longer applies. The change means that the HB is independent of the cap. Therefore, the claimant has been overpaid benefit from 1 March 2017 to 5 April 2017. The claimant has been overpaid £53.72 per week. An overpayment calculation should be completed and the claim administered as normal.

Example 7: Non-dependant moves out 1 December 2016, cap level applicable £442.31

Current benefits in payment from 7 November 2016		LA adjusts benefit from 1 January 2017	
Jobseeker's Allowance	£1114.85	Jobseeker's Allowance	£1114.85
Child Tax Credit	£63.84	Child Tax Credit	£63.84
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£250.00
Total benefits in payment	£452.59	Total benefits in payment	£502.59
Cap level	£442.31	Cap level	£442.31
Total cap to Housing Benefit	£10.28	Total cap to Housing Benefit	£60.28

Housing Benefit payable	£189.72	Housing Benefit payable	£189.72
HB paid has not changed, and therefore the LA should apply the change to the cap calculation from the Monday following the date the decision is made by the LA.			

Example 8: Claimant moves from JSA to ESA (IR), no change to HB, cap level applicable £442.31			
Current benefits in payment from 7 November 2016		LA adjusts benefit from 2 February 2017	
Jobseeker's Allowance	£114.85	Employment and Support Allowance (IR)	£125.05
Child Tax Credit	£223.86	Child Tax Credit	£223.86
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£200.00
Total benefits in payment	£612.61	Total benefits in payment	£622.81
Cap level	£442.31	Cap level	£442.31
Total cap to Housing Benefit	£170.30	Total cap to Housing Benefit	£180.50
Housing Benefit payable	£29.70	Housing Benefit payable	£19.50
Although HB paid has gone down, the LA should not calculate an overpayment. The change of circumstance should therefore be processed from the first Monday after the date a decision is made by the LA.			

Example 9: PIP awarded to child on 1 February 2017, cap level applicable £442.31, PIP is an exempt benefit.			
Current benefits in payment from 7 November 2016		LA adjusts benefit from 2 March 2017	
Jobseeker's Allowance	£114.85	Jobseeker's Allowance	£114.85
Child Tax Credit	£170.52	Child Tax Credit	£170.52
Child Benefit	£73.90	Child Benefit	£73.90
Housing Benefit	£200.00	Housing Benefit	£200.00
Total benefits in payment	£559.27	Total benefits in payment	£559.27
Cap level	£442.31	Cap level	£442.31
		Child in receipt of PIP (exemption to cap)	£110.00
Total cap to Housing Benefit	£116.96	Total cap to Housing Benefit	£0.00
Housing Benefit payable	£83.04	Housing Benefit payable	£200.00
LA has underpaid HB from 1 February 2017 to 2 March 2017 at £116.96 per week. Effective date should be 1 February 2017 and arrears paid.			

Example 10: 2 children and non-dependant leave home 2 February 2017 leaving one child still in household cap level applicable £442.31			
Current benefits in payment from 7 November 2016		LA adjusts benefit from 1 March 2017	
Jobseeker's Allowance	£111.45	Jobseeker's Allowance	£111.45
Child Tax Credit	£268.45	Child Tax Credit	£161.32
Child Benefit	£73.90	Child Benefit	£20.70

Housing Benefit	£136.00	Housing Benefit	£200.00
Total benefits in payment	£589.80	Total benefits in payment	£493.47
Cap level	£442.31	Cap level	£442.31
Total cap to Housing Benefit	£135.50	Total cap to Housing Benefit	£51.16
Housing Benefit payable	£0.50	Housing Benefit payable	£148.84
LA has underpaid HB by £148.34 per week from 2 February 2017 to 1 March 2017, so arrears have to be paid.			

Example 11: Claimant in Specified Accommodation; HB is disregarded and total benefits are below the cap, cap level applicable £442.31

Benefits in payment before 7 November 2016		Total benefits in payment post 7 November 2016	
Jobseeker's Allowance	£114.85	Jobseeker's Allowance	£114.85
Child Tax Credit	£223.86	Child Tax Credit	£223.86
Child Benefit	£61.80	Child Benefit	£61.80
Housing Benefit (disregarded)	£210.00	Housing Benefit (disregarded)	£210.00
Total benefits in payment excluding disregarded Housing Benefit	£400.51	Excluding disregarded Housing Benefit	£400.51
Cap Level	£500.00	Cap level	£442.31
Total cap to Housing Benefit	£0.00	Total cap to Housing Benefit	£0.00
Housing Benefit Payable	£210.00	Housing Benefit payable	£210.00

Example 12: Claimant in Specified Accommodation with benefits still over cap level once HB disregarded, cap level applicable £384.62

Benefits in payment before 7 November 2016		Total benefits in payment post 7 November 2016	
Jobseeker's Allowance	£114.85	Jobseeker's Allowance	£114.85
Child Tax Credit	£223.86	Child Tax Credit	£223.86
Child Benefit	£61.80	Child Benefit	£61.80
Housing Benefit (disregarded)	£210.00	Housing Benefit (disregarded)	£210.00
Total benefits in payment excluding disregarded HB	£400.51	Total benefits in payment excluding disregarded HB	£400.51
Cap level	£500.00	Cap level	£384.62
Total cap to Housing Benefit	£0.00	Total cap to Housing Benefit	£15.89
Housing Benefit Payable	£210.00	Housing Benefit payable	£194.11

Annex B

Example award notification

This is a model document to be used as you see appropriate. Any products produced will need to meet the relevant local authority brand guidelines.

Dear «Salutation»

I am writing to tell you about a change that affects how much Housing Benefit you receive.

From November 2016, the Government introduced a new benefit 'cap' (a maximum limit) on the total amount of benefit that people can get. This means that the amount of benefit a household can receive will be limited to:

A maximum of £442.31 a week

- If your household is made up of a couple (with or without children) or you are a lone parent (and the children you look after live with you) and you live in Greater London

A maximum of £384.62 a week

- If your household is made up of a couple (with or without children) or you are a lone parent (and the children you look after live with you) and you live in Great Britain, but not Greater London

A maximum of £296.35 a week

- If you are a single person and you have no children or the children you look after don't live with you and you live in Greater London

A maximum of £257.69 a week

- If you are a single person and you have no children or the children you look after don't live with you and you live in Great Britain, but not Greater London

This means that we have reduced your Housing Benefit to **£xx** per week.

How did we calculate your benefit cap amount?

The Department for Work and Pensions [DWP] have told us that your benefit awards are as follows:

£xx [list the benefits] –

- Bereavement Allowance []
- Child Benefit []
- Child Tax Credit []
- Employment and Support Allowance (except where it is paid with the support component) []

- Housing Benefit []
- Incapacity Benefit []
- Income Support []
- Jobseeker's Allowance []
- Maternity Allowance []
- Severe Disablement Allowance []
- Widowed Parent's Allowance []
- Widowed Mother's Allowance []
- Widow's Pension []
- Widow's Pension Age-Related []

*add in amounts and delete those benefits not in payment

If your benefit is paid direct to your landlord there will be a shortfall in your rent that you will have to make up out of your other money. You will need to contact your landlord to discuss the matter.

Households that aren't affected by the cap

The cap will not apply to you if you, your partner or any children living with you can get any of the following benefits or you or your partner qualify for Working Tax Credit:

- Attendance Allowance
- Carer's Allowance
- Disability Living Allowance
- Guardian's Allowance
- Personal Independence Payment
- the support component of Employment and Support Allowance
- Industrial Injuries Benefits
- Armed Forces Compensation Scheme or war disablement pension
- Armed Forces Independence Payment
- War Widow's or War Widower's Pension

If you think the cap should not apply because you, your partner or any children you are responsible for when working out your housing benefit, receive one or more of the above benefits you can report this to the benefit cap helpline. The helpline number is **0345 605 7064** or textphone **0345 608 8551** for people with hearing or speech impairments. The helpline is open Monday to Friday 8am to 6pm.

Grace Periods

The 'grace period' is when the benefit cap is deferred for up to 39 weeks. It starts on the day after you were last employed, if:

- you or your partner (or recent ex-partner) were in paid employment or self-employment for 50 weeks in the year before you finished, and

- you or your partner (or recent ex-partner) did not claim one of the following for any time in more than 2 weeks
 - Jobseeker's Allowance
 - Employment and Support Allowance
 - Income Support

If a grace period is applied it will provide you time to find another job, find more affordable accommodation or a combination of these activities.

QUESTIONS YOU MIGHT HAVE ABOUT OUR DECISION

If you want to know more about this decision or if you think the decision is wrong

Please get in touch with us, by phone or in writing, **within one month** of the date of this letter. If you contact us later we may not be able to help you. Our address and phone number are on the front page of this letter.

You, or someone else who has the authority to act on your behalf, can

- ask for an explanation
- ask for a written statement of reasons for our decision
- ask us to look again at the decision to see if it can be changed.
There may be some facts you think we have overlooked or you may have more information which affects the decision
- appeal against the decision. Please see below for more information.

You can do any of the actions listed above, or you can do all of them.

What happens if you ask us to look at the decision again?

If we can change the decision, we will send you a new decision.

If we cannot change the decision, we will send you a letter telling you why. You will have **one month** from the date of that letter to appeal if you still disagree with the decision.

How to appeal

Your appeal **must** be in writing. You must tell us which decision your appeal is against and give your reasons for the appeal.

Please send your appeal to the address at the top of this letter.

Your appeal will be heard by an independent appeal tribunal.

Which benefits count towards the cap?

These benefits all count when working out how much you can get a week:

- Bereavement Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (except where it is paid with the support component)
- Housing Benefit – unless you are living in supported accommodation *
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance
- Widowed Mother's Allowance
- Widow's Pension
- Widow's Pension Age-Related

* Supported accommodation is accommodation which is provided by a housing association, a registered charity, a not for profit voluntary organisation or in England a non-metropolitan county council and that body or someone acting for them that provide you with care support or supervision.

What can I do to stop the benefit cap applying to me?

Finding work could mean that the benefit cap won't apply to you if you are able to get Working Tax Credit. . You can find out more about Working Tax Credit at – www.gov.uk/working-tax-credit including how many hours you need to work to get it.

How can I get help and support to return to work?

For help in preparing and looking for work contact the helpline number on 0345 605 7064 to make an appointment to see a work coach.

You can also find help online at –

<https://www.gov.uk/moving-from-benefits-to-work/overview>

I have a question, who do I ask?

- If you have a question about the benefit cap you can contact your Local Authority. Their address and phone number is at the top of this letter
- If you think the weekly amount of any of the benefits or allowances included in your benefit cap calculation (excluding Housing Benefit) is wrong you should phone the office that pays you the relevant benefit.
- If you have a question about the benefits that have been taken into account to decide the level of the benefit cap you that applies to you, you can phone the benefit cap helpline. The helpline number is **0345 6057064** or textphone **0345 6088551** for people with hearing or speech impairments. The helpline is open Monday to Friday 8am to 6pm.

For Housing Benefit questions contact us on the phone number at the top of this letter.

How can I find out more about the benefit cap?

If you would like to know more about the benefit cap further information is online at www.gov.uk/benefit-cap

You must also tell us immediately, in writing, of any changes that may affect your benefit. Some examples of changes are: increases in your or your partner's income/savings, if someone leaves or joins your household, and any rent changes. You may also lose benefit if you do not tell us of any changes. If you are overpaid benefit, you will have to pay it back.