



Department  
for Work &  
Pensions

# Evaluation of the lower benefit cap

Findings from the mixed method longitudinal  
evaluation

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# 1 Introduction

In January 2017, the Department for Work and Pensions (DWP) commissioned NatCen Social Research, an independent research organisation, to conduct an evaluation of the lower benefit cap. The evaluation comprised:

1. A survey of claimants affected by the cap, delivered over two waves. Wave one was conducted approximately seven months after implementation of the new cap, and wave two six months later.
2. Qualitative research with local authority, Jobcentre Plus and local support agency staff within six sampled local authorities.

This report brings together high-level longitudinal findings from the two survey waves and the qualitative case studies. This report is also published alongside an econometric impact evaluation of the benefit cap.

## 1.1 Background

In April 2013, the Government introduced a cap on the total amount of benefit that most working-age households could receive; so that, broadly, households on out-of-work benefits no longer received more in welfare payments than the average weekly wage after tax for working households. The cap limited the combined sum that a household may receive in benefits to £500 a week for families/couples and £350 a week for single people without dependent children (£26,000 per year for couples and lone parents, and £18,200 for single person households).

In the 2016 Welfare Reform and Work Act, the benefit cap for working-age claimants was lowered and tiered, based on where claimants lived and whether they had a partner and/or resident children. The lowering of the cap was partly in response to the December 2014 evaluation of the benefit cap at its original levels, which found that capped households were 41 per cent more likely to enter work than comparable households not affected by the benefit cap, and the greater the amount by which benefit receipt was reduced by the cap, the greater the proportion moving into employment.<sup>1</sup> The new arrangements also reflected that almost half of all households impacted by the original benefit cap (44 per cent of the November 2016 caseload)

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<sup>1</sup> <https://www.gov.uk/government/publications/benefit-cap-evaluation>

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were based in London, compared with 3 per cent in the North East. The tiered cap aimed to ensure greater parity between London and other UK regions, thereby widening the reach of the work incentive.<sup>2</sup>

The new lower, tiered cap launched in November 2016 with the phased roll-out completed by February 2017.<sup>3</sup> The lower cap meant that the maximum households could receive in benefits ranged from £257.69 a week for single claimants without resident children, living outside London (£13,400 a year), to £442.31 a week for families with children living in Greater London (£23,000 a year).

For most capped households the benefit cap is applied by reducing the amount of Housing Benefit (HB) received, so the household's total benefits no longer exceed the cap level. The benefit cap can also be applied through Universal Credit (UC). UC is assessed and paid monthly and is calculated based on the household circumstances. The benefit cap is applied to the full UC award in each monthly assessment period, not just to housing costs. DWP official statistics show that at May 2019, 66% (50,000) of all capped households had their HB award capped, with the remaining 34% capped under UC (26,000).

There are exemptions from the cap for vulnerable claimants; for example, those in receipt of Personal Independence Payments (PIP) or Disability Living Allowance (DLA); as well as for Carer's Allowance introduced in November 2016 and its equivalent in UC. Further information on the benefits affected by the cap, exemptions from the cap, cap amounts and the help available to claimants is available on Gov.uk.<sup>4</sup>

## 1.2 Aims

The aims of this study were to evaluate the effects of the new lower benefit cap on affected claimants' behaviours towards employment, its wider impacts (for example, on housing choices) and to better understand the driving forces behind different responses to the cap.

Within this, to:

- Assess the effectiveness of the policy in meeting its aims as an increased work incentive,
- Explore how the policy is operating, and
- Understand what effects the policy has had on local authorities (LAs) and local support agencies.

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<sup>2</sup> More information on the rationale behind lowering and tiering the benefit cap can be found in the August 2016 Impact Assessment for the lower benefit cap:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf)

<sup>3</sup> For more information on the rollout of the lower cap across local authorities, see official statistics available here: <https://www.gov.uk/government/collections/benefit-cap-statistics>

<sup>4</sup> <https://www.gov.uk/benefit-cap>

The study used a mixed method design, employing both quantitative and qualitative approaches to explore and answer these research questions. Conclusions drawn from this report should be considered alongside those from the internal econometric impact evaluation published alongside this report.

### 1.3 Reporting conventions

Selection and non-response weights have been applied to the survey data presented in this report. This means that the data has been weighted to match the population on a number of key characteristics, such as age, gender, weekly cap amount and region. It is important to note that whilst Universal Credit (UC) full service claimants were oversampled to allow for separate analysis (representing 23 per cent of the issued sample), once weighted, they represented just 2 per cent of respondents – matching the distribution of UC to Housing Benefit (HB) claimants within the population as of February 2017.

Percentages given in the report all represent the weighted distributions, but charts and tables include details of the unweighted base size. This base excludes any respondent who said ‘don’t know’ or refused to answer the question. Thus, while base descriptions may be the same across a number of tables or charts (e.g. all respondents) the total number may differ slightly.

Subgroup analysis has been carried out for key variables, including changes to employment, housing and other impacts, to compare answers for respondents claiming different types of benefit, Housing Benefit or Universal Credit, as well as to compare respondents living in London with those living in other areas of Britain. In addition, subgroup analysis has been conducted with a series of demographic variables, including family type, age of youngest child and the amount capped, for key questions. Any findings reported in the text highlighting differences between subgroups have been tested for statistical significance and shown to be significant at the five per cent level ( $p=0.05$ ), i.e. to determine whether there is a ‘true’ difference between groups or survey waves, and not a difference that has occurred as a result of chance. The analysis uses significance testing for complex surveys – the Wald rather than chi-squared test. However, the two significance tests are considered broadly equivalent.

All charts depicting multi-code survey questions, i.e. questions where respondents could select more than one answer, have been labelled as such. Where responses relate to multi-code questions, percentages will not sum to 100 per cent.

Each respondent represents one household or benefit unit. Only one partner in a couple household has been surveyed, although for some measures respondents in couple households will have been asked about their partner’s response to the cap.<sup>5</sup>

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<sup>5</sup> For example, ‘Have you (or your partner) made any changes in relation to looking for work, or changes to your current job, as a result of the most recent benefit cap?’

However, in line with DWP official statistics,<sup>6</sup> the majority (71 per cent) of respondents were from lone-parent households.

### 1.4 Reporting longitudinal data

This final evaluation report focuses on findings from longitudinal data analysis highlighting changes that have taken place between the two survey waves. This means that the findings relate only to respondents taking part in both the wave one (n=1,921) and wave two surveys (n=844). Any cross-sectional findings reported relate to wave two survey data unless specifically signalled in the text.

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<sup>6</sup> See <https://www.gov.uk/government/collections/benefit-cap-statistics>

## 2 Summary of methods

### 2.1 Survey sample of capped claimants

DWP provided NatCen with contact details and key background variables for 6,490 Housing Benefit and Universal Credit claimants, all of whom had the cap applied to their Housing Benefit or Universal Credit award. The sample was drawn by DWP following a specification provided by NatCen, and the delivered sample was checked by NatCen statisticians.

Invitation letters were sent to 6,451 issued cases for the wave one survey<sup>7</sup> in four batches according to the staged roll-out of the lower cap levels between November and January 2017. The batches were broken down as shown in **Error! Reference source not found.**

**Table 2.1 Sample batches for the wave one survey**

Batch	Month lower cap applied	Month surveyed	Sample size	Breakdown
1	November 2016	July 2017	2,293	<i>HB = 2,290</i> <i>UC = 3</i>
2	December 2016	August 2017	1,800	<i>HB = 1,419</i> <i>UC = 381</i>
3	January 2017	September 2017	1,997	<i>HB = 1,353</i> <i>UC = 644</i>
4	February 2017	October 2017	361	<i>HB = 0</i> <i>UC = 361</i>
Total			6,451	<i>HB = 5,062</i> <i>UC = 1,389</i>

Claimants sampled for the wave one survey were offered an opportunity to opt-out of the study via a Freephone telephone number or by email. The opt-out period ran for the first two weeks following the mail out for each batch. A total of 77 opt-outs (1 per cent) were received over the course of the wave one fieldwork period, which ran from the 29th June until 19th October 2017. Respondents taking part in the wave one survey were asked whether they would be happy to be contacted about taking part at wave two. Only those who gave their consent were recontacted, and as such there was no opt-out process at wave two.

<sup>7</sup> Thirty-nine cases were excluded as they did not include all the contact information needed to administer the survey.



## 2.2 Survey outcomes

**Error! Reference source not found.** and **Error! Reference source not found.** show the different outcomes at each survey wave. At wave one this includes 1,921 fully completed interviews (a response rate of 35 per cent), which exceeded target conversion rates (i.e. the target number of completed interviews) and is comparable with other claimant surveys, for example, the 2015/16 DWP Claimant Service and Experience Survey, which achieved a response rate of 39 per cent overall, and 31 per cent with UC claimants.<sup>8</sup> In addition to the completed surveys there were 881 cases where the telephone number had been permanently disconnected or was unobtainable (14 per cent), 264 refusals (4 per cent) and 90 respondents who said that they had never been affected by the cap, and were therefore deemed ineligible for the survey.

A total of 1,804 respondents completing the wave one survey agreed to be recontacted at wave two (94 per cent). All 1,804 cases were taken forward into the wave two sample and issued to NatCen’s telephone unit.

The number of disconnected numbers (88), refusals (41) and ineligible cases (3) were small at wave two (as is typical for a follow-up survey). At the end of the fieldwork period there were 844 fully complete surveys, a response rate of 49 per cent. As at wave one, target conversion rates were exceeded, telephone interviewers surpassing the target number of 800 completed surveys within the allocated timeframe. Eighty-four per cent of respondents (n=711) agreed to have their survey responses linked to administrative data held by the DWP at both survey waves.

The average interview took 16 minutes to complete at wave one and 14 minutes at wave two.

**Table 2.2 Wave one survey response**

	<b>HB</b>	<b>UC</b>	<b>Total</b>
Sample selected	5,062	1,389	6,451
Opted out	44	33	77
Issued to telephone unit	5,018	1,356	6,374
Number disconnected/ unobtainable	783	98	881
Refusal	236	28	264
Total with valid telephone number	4,279	1,291	5,570
Ineligible*	66	21	90
Total with valid telephone	4,213	1,270	5,520

<sup>8</sup> DWP (2017) [DWP Claimant Service and Experience Survey Methodological Note: Data for 2015/16](#), p 13.

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number and eligible			
Fully complete survey	1,521	400	1,921
<b>Response rate (% of usable cases)</b>	<b>36%</b>	<b>31%</b>	<b>35%</b>
Agreed to data linkage	1,317	344	1,661
Agreed to be re-contacted	1,431	373	1,804
Mean Interview length			16 minutes

\*Reported when surveyed that they were 'not affected by the benefit cap, and never had been'

**Table 2.3 Wave two survey response**

	<b>HB</b>	<b>UC</b>	<b>Total</b>
Agreed to be recontacted (eligible sample)	1,431	373	1,804
Issued to telephone unit	1,431	373	1,804
Number disconnected/unobtainable	72	16	88
Refusal	30	11	41
Total with valid telephone number	1,359	357	1,716
Ineligible*	1	2	3
Total with valid telephone number and eligible	1,358	355	1,713
Fully complete survey	633	211	844
<b>Response rate (% of usable cases)</b>	<b>47%</b>	<b>59%</b>	<b>49%</b>
Agreed to data linkage	577	188	765
Mean Interview length			14 minutes

\* Reported when surveyed that they were 'not affected by the benefit cap, and never had been'

## 2.3 Administrative data

Survey data at both waves was combined with an extract of administrative data held by the DWP (where respondents had given explicit permission for data linkage). The population dataset was drawn from DWP records, including the Single Housing Benefit Extract (SHBE), a monthly electronic scan of claimant level data direct from local authority computer systems, and analytical datasets produced from the Universal Credit full service system (compiled using data from systems within local offices and records of UC benefit payments made by DWP).<sup>9</sup> Information, including cap amounts and rent for the month the claim was first affected by the lower cap, was appended to the survey dataset.

Administrative data was used to supplement survey responses, and therefore to limit the length of the survey and the burden on respondents. Linked data also had the benefit of adding information which was valuable for analysis purposes, but potentially vulnerable to recall error, such as the amount by which respondents had been capped. Indeed, for the small number of variables included in both the administrative and survey datasets, there was typically a mismatch between the self-reported and administrative data.

This was true of data relating to whether respondents were still affected by or had moved off the cap. In this instance the mismatch between self-reported and administrative data is likely to be an issue both of respondent recall and the small time difference between the point the respondent was surveyed and the date the linked data was extracted (i.e. that respondent circumstances changed between these two time points). In this instance the figures presented in this report have been drawn from survey (i.e. self-reported) data and not administrative records.

## 2.4 Qualitative interviews

A case study approach was taken for the qualitative element of the evaluation. Six local authorities (LAs) were selected as case studies to provide a broad spread of experiences of the lower cap. The primary sampling criteria for the case study areas, set out in **Error! Reference source not found.**, were geography (i.e. region), stage of UC roll-out, the number of claimants affected by the lower cap, and increase in claimant numbers compared with the previous cap. Secondary sampling criteria included whether the area was running the Department for Education's 30 hours free childcare offer,<sup>10</sup> housing affordability in the area and the size of the LA.

Local authorities were selected on the basis of these sampling criteria and invited to take part in the research via key staff contacts. Those LAs who agreed to take part in

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<sup>9</sup> Robust data on the number of households capped under UC live service was not available for the population dataset, so UC live service claims are not covered in this report.

<sup>10</sup> For more information about the 30 hours policy see, Paull and La Valle (2018) *Evaluation of the first year of the national rollout of 30 hours free childcare*, available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740168/Evaluation\\_of\\_national\\_rollout\\_of\\_30\\_hours\\_free-childcare.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740168/Evaluation_of_national_rollout_of_30_hours_free-childcare.pdf)

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the evaluation shared a list of potential interviewees from the pool of local authority and Jobcentre Plus staff. Staff members were approached directly by the research team and invited to take part in the research on a voluntary basis. DWP provided a list of support organisations to approach, which was supplemented by suggestions from LA staff and desk research.

**Table 2.4 Sample breakdown for the qualitative case studies**

	UC roll-out	(Change in) number of claimants affected	Extended childcare	Housing affordability <sup>11</sup>	LA size <sup>12</sup>
Wales	No	Low - low	No	2	Large
Scotland	No	Low - high	No	1	Very large
London	Yes	High - high	No	4	Large
South East	No	Medium - high	No	4	Large
Rest of England 1	Yes	Low - medium	No	1	Medium
Rest of England 2	Yes	Medium - high	Yes	4	Very large

Forty-two interviews were conducted across the six case study areas with staff from LAs, Jobcentre Plus and local support organisations. Local organisations included family support charities; financial charities and credit unions; housing and homelessness support organisations; housing associations; information and advice providing services; women's charities; food banks and legal charities.

A qualitative in-depth interview approach was taken to map the full range of experiences of the lower cap. A topic guide, designed in collaboration with DWP, was used to guide interview discussions (see Annex A). Themes included:

- Organisations' preparation for and delivery of the latest benefit cap and/or support to claimants affected by the latest benefit cap
- The impact of the recent cap on LA and local agencies' resources and services
- The perceived impact of the cap on claimants' attitudes and behaviours to work and housing choices
- Broader impacts of the cap on LAs and local agencies

Interviews took place between 25<sup>th</sup> July and 15<sup>th</sup> November 2017. They were conducted by telephone and, with permission, audio recorded and transcribed

<sup>11</sup> Affordability was based on the net difference between Local Housing Allowance (LHA) levels and average weekly rent in each LA. LAs were grouped into four bands where 1 = most affordable and 4 = least affordable.

<sup>12</sup> LA size was defined as follows: small = population of less than 50,000, medium = population of 50,000 – 100,000, large = population of 100,000 – 200,000, very large = population of more than 200,000.

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verbatim. The data was managed and analysed using the Framework approach, from which case and theme-based analysis was conducted.<sup>13</sup>

Where verbatim quotes from the interviews have been used in the report they are labelled with the type of organisation the interviewee is from, and a generic role or job title.

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<sup>13</sup> Framework is NatCen's standard approach to qualitative data management and analysis. It involves organising qualitative data into a series of thematic charts. Each chart occupies a column heading in the matrix representing a key research theme and comprised of several sub-themes. Each row relates to an individual participant. Data from each participant is then reviewed and summarised into the relevant cell. Contextual information, direct quotations and researcher comments are included within each cell and linked to the corresponding interview transcript.

## 3 Characteristics of respondents

This chapter reports on the profile of capped claimants, thereby helping to contextualise the remainder of the report and inform interpretation of findings. The demographic profile of respondents taking part in both survey waves varied very little to that of the larger wave one survey sample. This reflects the fact that both surveys were weighted to match the capped population. The only notable difference was in the amount of rent paid, but this is likely the effect of small base sizes in some regions. For this reason, the statistics presented in this section are wave two only.

The chapter begins by exploring key demographic characteristics of claimants taking part in both survey waves, such as gender, age, ethnicity, family type and health status. It then goes on to look at the region claimants live in, what they pay in rent and how much they have been capped. The final part of the chapter considers whether respondents are still subject to the benefit cap, and the reasons they are no longer affected and any changes in the type of benefit respondents are claiming.

### 3.1 The demographic profile of respondents

#### 3.1.1 Gender, age and ethnicity

Respondents were predominately female (84 per cent), aged between 31 and 50 years old (62 per cent) and of white ethnicity (71 per cent).

#### 3.1.2 Health status

Thirty-nine per cent of respondents reported having a long-term health problem or disability, limiting the daily activities or the work they can do. It is important to note that claimants in receipt of benefits due to long-term health conditions and disabilities (e.g. those in the Employment and Support Allowance (ESA) support group, or in receipt of Personal Independence Payments) are exempt from the cap.<sup>14</sup> Having a long-term health condition was self-reported by respondents. This was more common among single claimants without children (78 per cent), than lone parents (33 per cent) and couples with children (45 per cent). It was also more common among those

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<sup>14</sup> <https://www.gov.uk/benefit-cap/when-youre-not-affected>.

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who were unemployed and not looking for work, i.e. were inactive (48 per cent), than those who were seeking work (36 per cent) or working (19 per cent).

**3.1.3 Family type, number and age of children**

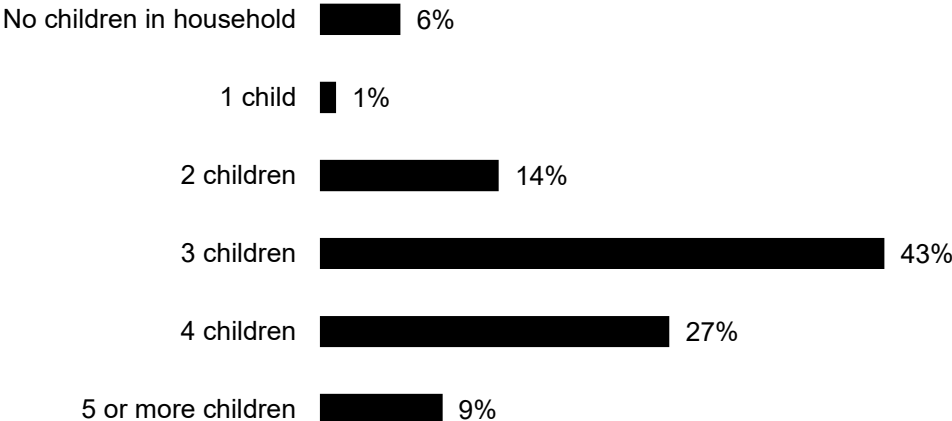
The largest proportion of respondents belonged to lone parent households (72 per cent), compared with couples with dependent children (22 per cent) and single claimants without children (6 per cent).

Families tended to be large, with an average of three children per household; 36 per cent of respondents had four or more children.

**Figure 3.1 Number of children in the household**

*Base: All respondents*

*Base: Unweighted N = 844*



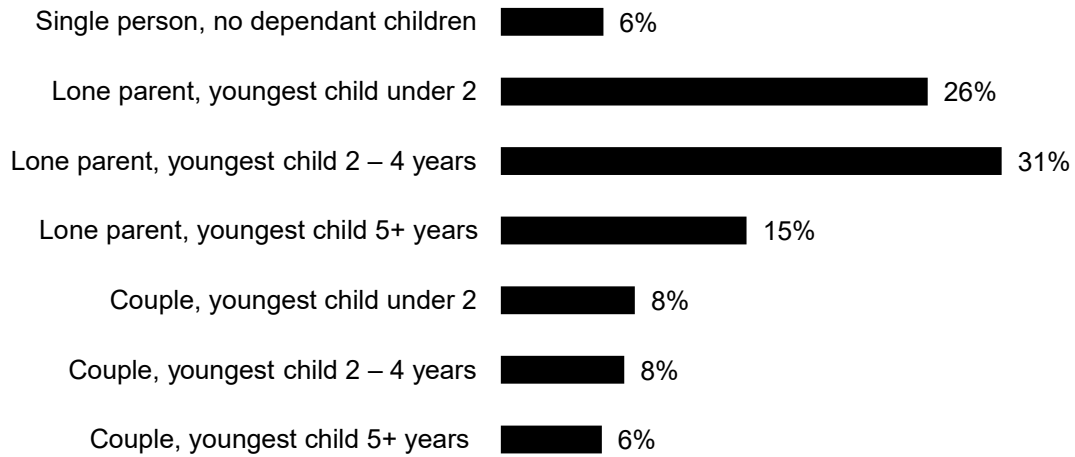
A majority of capped households (72 per cent) included a child aged under five (see Figure 3.2 for a breakdown of family type and age of youngest child).

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### Figure 3.2 Family type and age of youngest child

Base: All respondents

Base: Unweighted N = 844



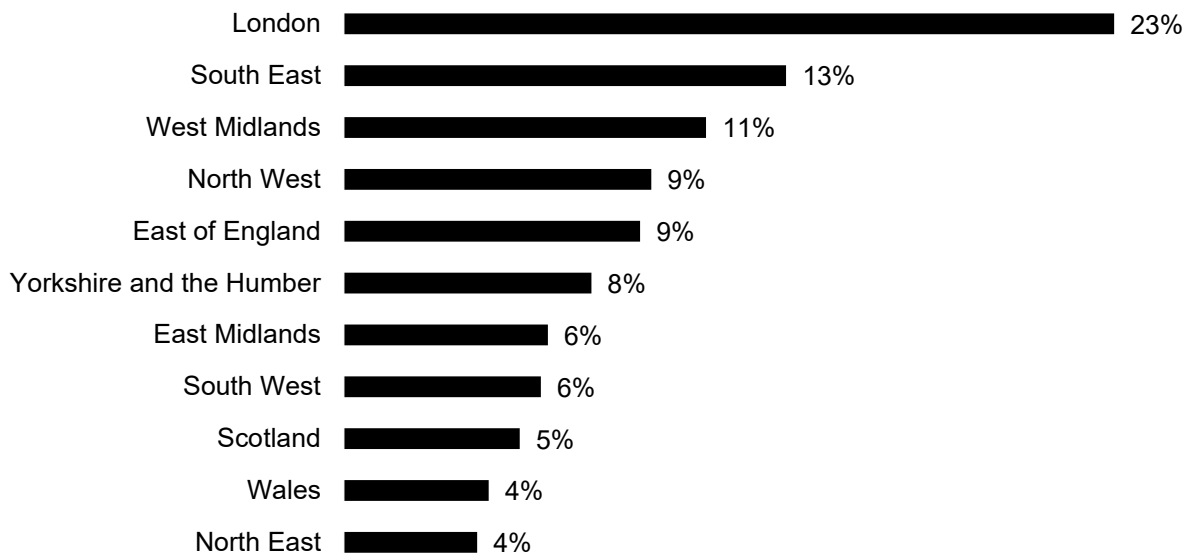
## 3.2 Region and rent amount

The sample of capped claimants was drawn from across the UK, with the largest proportion living in London (23 per cent), and the second largest the South-East (13 per cent) (see Figure 3.3).

### Figure 3.3 Region

Base: All respondents

Base: Unweighted N = 844





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It should be noted that UC claimants were clustered within certain regions (notably 60 per cent of UC claimants were in London, with the remaining 40 per cent outside of London), reflecting the staged roll-out of Universal Credit by area.<sup>15</sup>

As might be anticipated, housing costs varied considerably by region, with the highest weekly rents at wave one and wave two found in London followed by South-East England, and the lowest in Wales and Scotland (see **Error! Reference source not found.** below).<sup>16</sup>

**Table 3.1 Weekly rents by region (grouped) – wave two**

Weekly rent	Region (grouped)					Total (%)
	London (%)	South-East England (%)	Rest of England (%)	Scotland (%)	Wales (%)	
Less than £100 per week	0	4	34	45	28	22
£100.01 - £150 per week	14	45	53	37	59	43
More than £150 per week	86	51	13	18	13	35
<i>Unweighted base</i>	<i>201</i>	<i>79</i>	<i>310</i>	<i>51</i>	<i>23</i>	<i>664</i>

*Base: Wave two respondents in rental accommodation.*

### 3.3 Amount capped

The amount respondents' benefits were capped by was drawn from DWP administrative data and therefore only available for claimants who agreed to data linkage at both waves (84 per cent). The amounts varied considerably from a few pence to £373 per week. The average for those still affected by the lower cap at wave two was £59.<sup>17</sup>

Universal Credit claimants were more likely to be capped at a higher level (more than £100 per week), than those in receipt of HB (14 per cent compared with 7 per cent). These figures likely reflect differences in the region claimants live in – rents and therefore cap amounts being higher for those living in London and the South East (where the majority of UC claimants in the sample were located due to the stage of UC roll out) - and the type of rental arrangement UC claimants have (40 per cent

<sup>15</sup> Statistics on where UC has rolled out can be found at:

<https://www.gov.uk/government/collections/universal-credit-statistics>

<sup>16</sup> Rent amounts were drawn from DWP administrative data and therefore only available for claimants who agreed to data linkage at both survey waves (84 per cent). These rent amounts refer to the contractual rent charged by the landlord/housing association in the month the claimant was first affected by the lower cap.

<sup>17</sup> The average for all respondents (this included those no longer affected, and therefore with a cap amount of £0) was £29.

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living in more expensive private rented housing (as opposed to social housing) compared with 33 per cent of HB claimants). UC claimants also differ from HB claimants in terms of age profile and family type.

### 3.4 Whether still affected by the cap

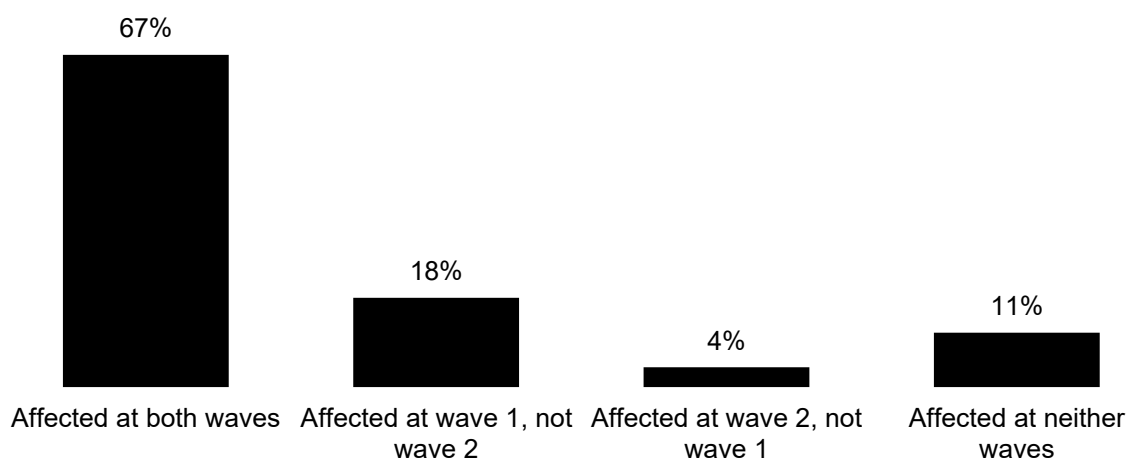
A large majority of respondents (71 per cent) reported that they were affected by the benefit cap at the time of their second interview, approximately 13 months after the lower cap levels were introduced. This is notably lower than at wave one (seven months after being capped) when 85 per cent of claimants said that they were still affected.

As Figure 3.4 shows, the majority of respondents (67 per cent) were affected by the cap at both survey waves. Four per cent of respondents reported being capped at wave two but not at wave one (seven months after moving into scope for the lower cap), suggesting that a small proportion of capped claimants transition out of and back into benefit cap levels over time.

**Figure 3.4 Proportions of respondents affected by the cap at waves one and two**

*Base: All respondents*

*Base: Unweighted N = 844*

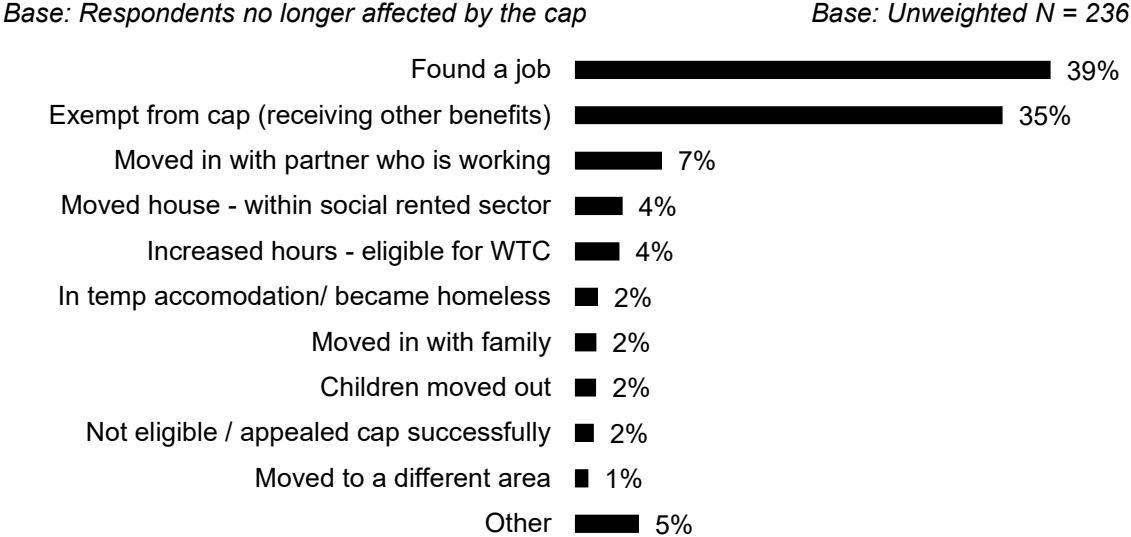


Of those no longer affected by the cap (29 per cent), this was most frequently because they had moved into work (39 per cent) or started claiming one of the benefits which exempted them from the cap (e.g. Disability Living Allowance) (35 per cent). Other answer categories, such as increasing hours, moving in with a partner and moving to another property, were cited by a very small number of respondents (see Figure 3.5). Those living in London were significantly more likely to report either increasing their working hours or moving into temporary accommodation/becoming

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homeless<sup>18</sup> as reasons for no longer being affected by the cap than those living in other parts of Britain (see Figure 3.6).

**Figure 3.5 Reasons respondents were no longer affected by the benefit cap**



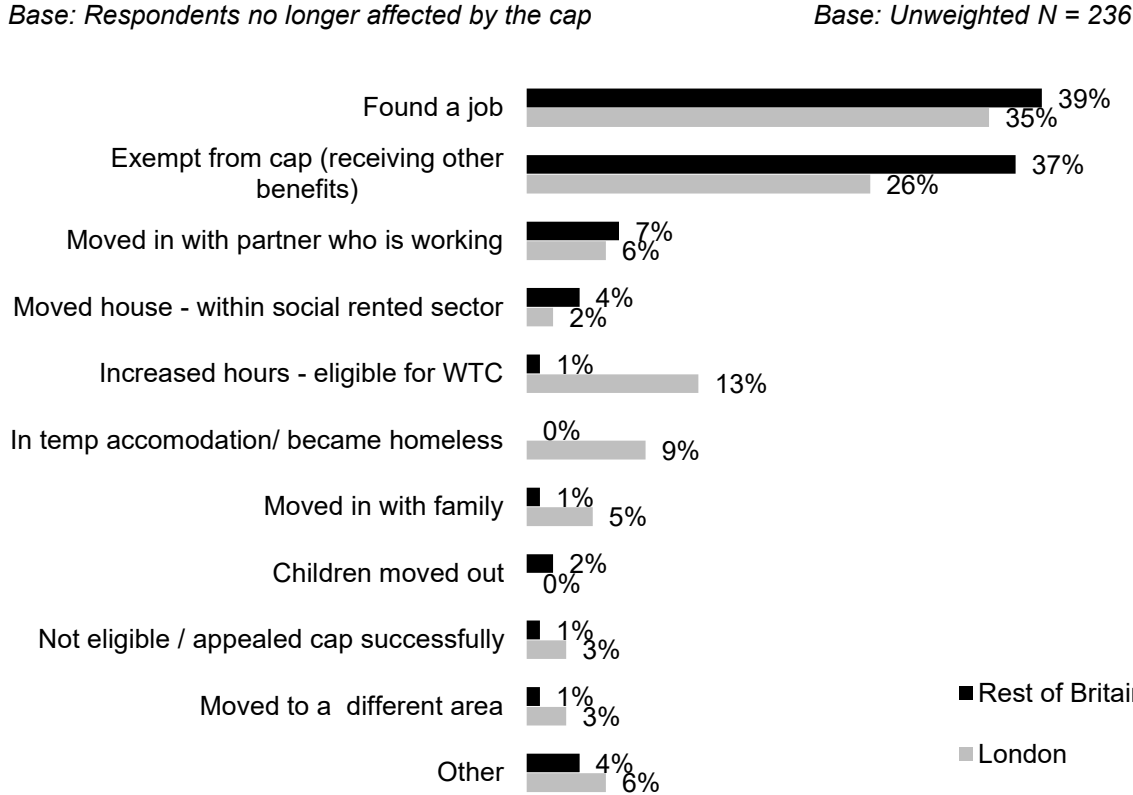
Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

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<sup>18</sup> Note that, notwithstanding claimants’ responses, living in temporary accommodation does not per se make claimants exempt from the benefit cap.

**Evaluation of the lower benefit cap**

**Figure 3.6 Reasons respondents were no longer affected by the benefit cap by whether they live in London or other regions**



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

**3.5 Changes in benefit type**

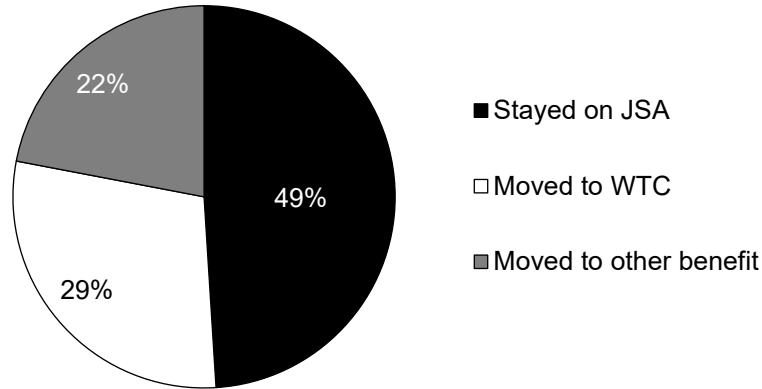
The majority of respondents were claiming the same benefit when first in scope for the cap and 13 months later. However, some respondents moved from one of the out-of-work benefits (JSA, IS and ESA) to Working Tax Credits (WTC) over the course of the evaluation. Specifically, 29 per cent of those claiming JSA (see Figure 3.7), 17 per cent of those claiming IS (see Figure 3.8) and 8 per cent of those claiming ESA (see

**Figure 3.9)** when first in scope for the lower cap had moved to WTC 13 months later. This reflects the most common reason given for no longer being affected by the cap, finding a job (39 per cent).

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**Figure 3.7 Changes in benefit type for respondents who were claiming JSA when first in scope of lower cap**

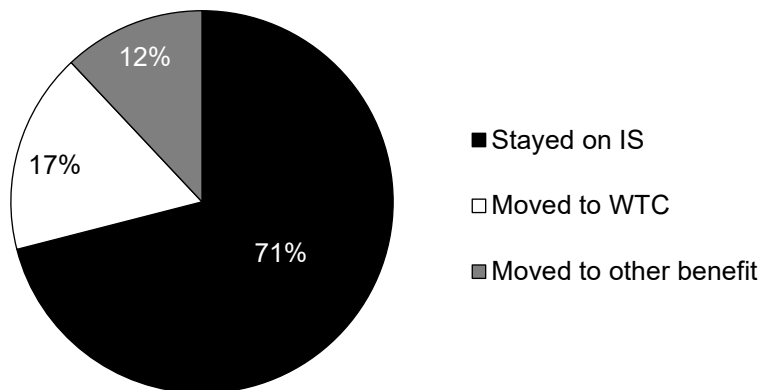
Base: Unweighted N=75



Base: Respondents who agreed to data linkage (wave 1 and 2) who were on JSA when first in scope of the lower cap

**Figure 3.8 Changes in benefit type for respondents who were claiming IS when first in scope of lower cap**

Base: Unweighted N=283

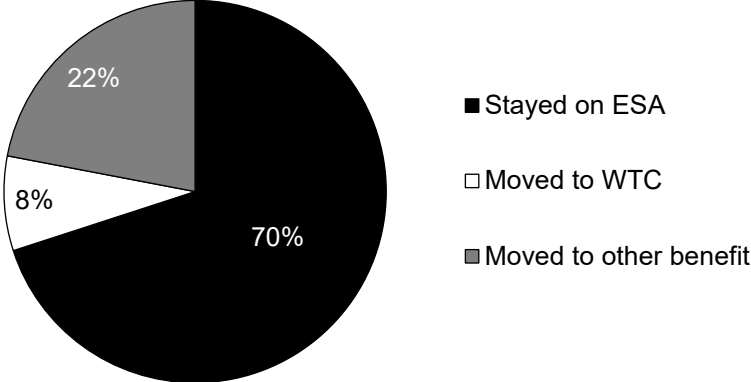


Base: Respondents who agreed to data linkage (wave 1 and 2) who were on IS when first in scope of the lower cap

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Figure 3.9 Changes in benefit type for respondents who were claiming ESA when first in scope of lower cap

Base: Unweighted N=79



Base: Respondents who agreed to data linkage (wave 1 and 2) who were on ESA when first in scope of the lower cap

## 4 Employment

A key aim of the benefit cap policy is to incentivise households to find work or increase their earnings. The rationale being the belief that limiting the amount in benefits capped households receive will incentivise behaviours that encourage people to move into work or seek additional hours or earnings in an existing job.<sup>19</sup> In turn, the policy aims to reduce long-term dependency on benefits.

This chapter explores survey findings related to employment, looking first at current employment status and any behavioural changes in relation to work as a result of the cap. It goes on to consider perceived barriers to employment or increasing hours and concludes by exploring respondents' views of the benefits of employment.

### 4.1 Employment status

Before discussing claimants' response to the cap in terms of employment, it is important to understand their circumstances regarding work; the drive for change being distinctly different for those currently in work and those who are unemployed or economically inactive.

Respondents were asked for their current employment status at both survey waves; this was self-defined, and related to the time each interview took place rather than the point at which claimants were first in scope of the lower cap.

As shown in Figure 4.1, the largest proportion of respondents at both waves one and two reported that they were unemployed and not seeking work (33 per cent at wave one, 31 per cent at wave two). A further 27 and 24 per cent were unemployed but looking for work at waves one and two respectively.

Notably, the proportion of respondents who reported being in full-time or part-time work or self-employment was 23 per cent at wave two (a significant increase from 16 per cent at wave one).<sup>20</sup> Of those in work at wave two, 61 per cent had also been in

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<sup>19</sup> Households in receipt of legacy benefits are exempt from the cap if they work enough hours to claim Working Tax Credit. Under Universal Credit, households are exempt from the cap if their combined earnings exceed £542 a month after tax and National Insurance contributions (2018/19 level).

<sup>20</sup> This is considerably higher than the nine per cent of respondents identified as being employed in wave one of the evaluation of the previous benefit cap, see DWP (2014) [Post-implementation Effects of the Benefit Cap](#).

## Evaluation of the lower benefit cap

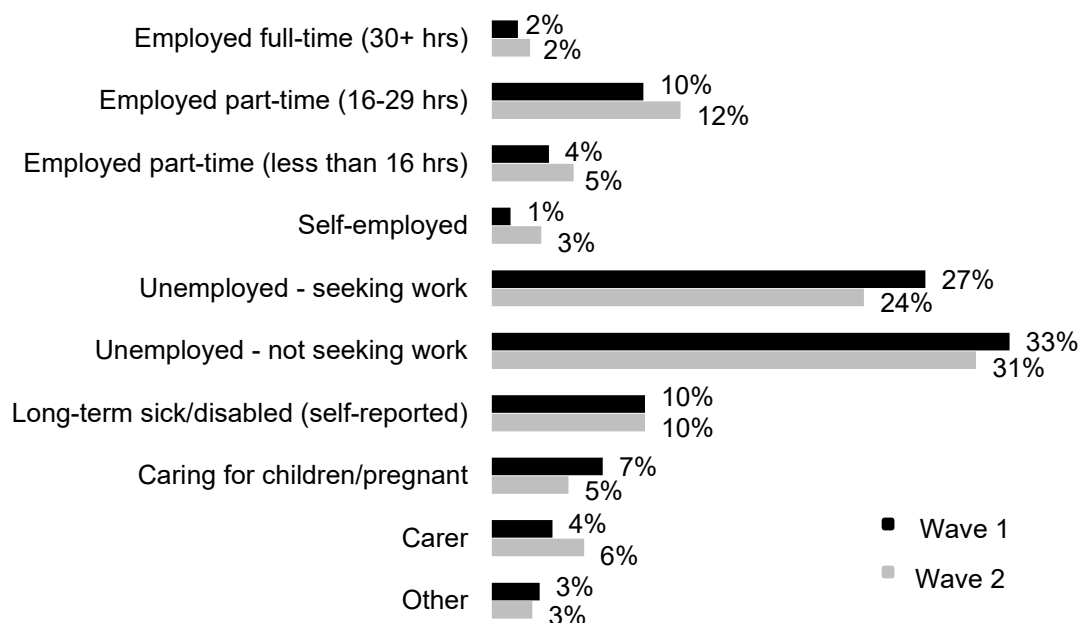
employment at wave one, 28 per cent had been unemployed and looking for work and 12 per cent economically inactive.<sup>21</sup>

Therefore, although overall numbers moving into employment are small, findings do show an increase in employment among capped claimants, including those who were previously not actively seeking work.

**Figure 4.1 Employment status at waves one and two**

Base: All respondents

Base: Unweighted N = 844



Note: proportions in the data labels have been rounded to the nearest whole number, which means that small differences between the bars may not be reflected in the corresponding numbers.

Subgroup analysis showed that couple and lone parents were significantly more likely to be employed than single claimants without children (28 per cent, 23 per cent and 3 per cent respectively). This was also true of those claiming Universal Credit as opposed to Housing Benefit (46 per cent compared with 22 per cent).

Closer analysis of couple and lone parent households by the age of children shows interesting differences; with employment rates increasing for lone parents as the age of their youngest child rises, but showing very little change across the age groups in couple households (see Figure 4.2).

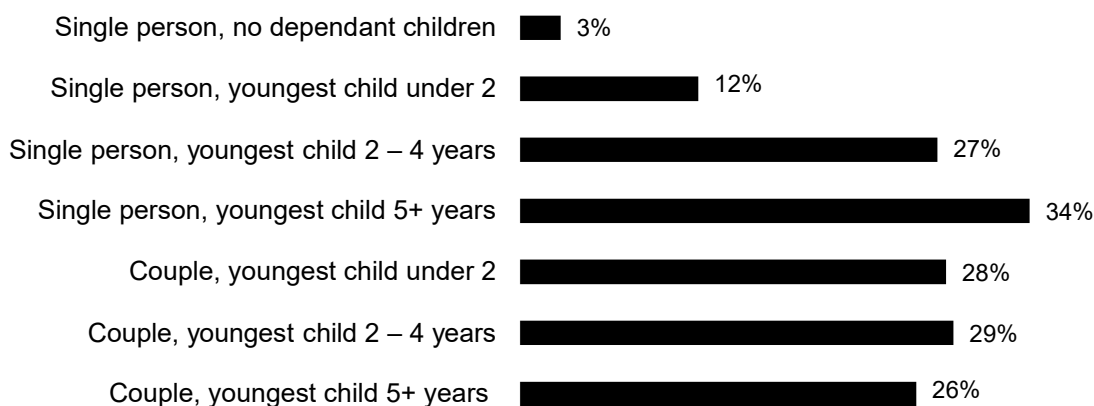
<sup>21</sup> This group includes respondents describing their employment status as long-term sick/ disabled and as caring for children/ dependent adults, as well as 'unemployed – not seeking work'.



Figure 4.2 Proportion of respondents in employment by family type at wave two

Base: All respondents

Base: Unweighted N = 844



There were no significant differences in employment status at wave two by whether the respondent lived in London rather than in other parts of Britain.

## 4.2 Contract type and earnings

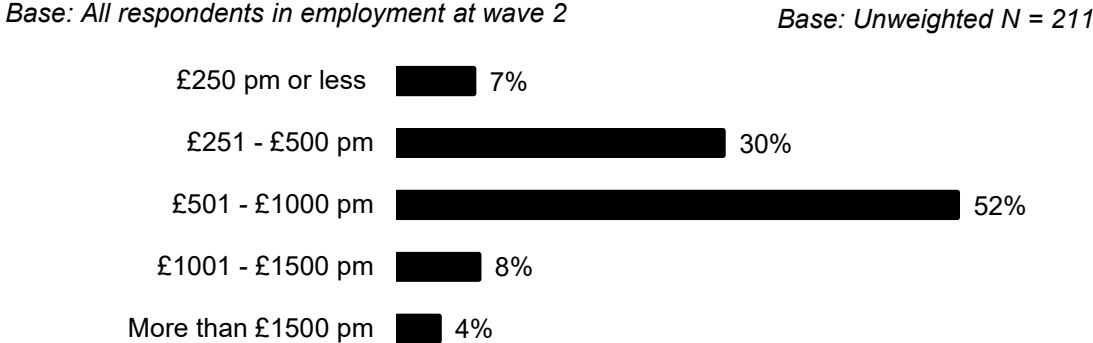
A large majority of those in employment (84 per cent) had a permanent employment contract. This was significantly higher for those claiming Housing Benefit than for Universal Credit claimants (84 per cent compared with 72 per cent). Of the small number of respondents with a non-permanent position, two-thirds were employed on a casual (or zero) hours contract.<sup>22</sup>

Self-reported earnings varied considerably, with the largest proportion of employed respondents (52 per cent) taking home between £500 and £1,000 a month. Only a small minority of claimants earned more than £1,000 a month (12 per cent) (see Figure 4.3).<sup>23</sup>

<sup>22</sup> It should be noted that the survey used the term 'zero-hours contract', as this was felt to be the more commonly used and widely understood term for this type of casual contract.

<sup>23</sup> For context, the benefit cap earnings exemption under Universal Credit in the 2017/18 financial year which the survey responses cover was £520 per monthly assessment period.

Figure 4.3 Earnings for those in employment at wave two



As might be expected, this proportion was significantly higher for respondents living in London than in other parts of Britain; 21 per cent earned more than £1,000 per month compared with just 8 per cent of those living in other regions. Subgroup analysis also showed a difference in earnings on the basis of benefit type, with UC claimants significantly more likely to earn more than £1,000 per month than those claiming legacy benefits (24 per cent compared with 11 per cent). These two findings are related, however, as UC claimants were clustered in London at the time of the survey sample being drawn.

### 4.3 Changes to employment

#### 4.3.1 Changes made to employment or job search

When asked in wave two whether they (or their partner) had made any changes in relation to looking for work or in their current job in response to the benefit cap (changes that might include widening the search for a job, or taking on more hours in an existing job), fewer than one in four respondents (24 per cent) said that they had. This proportion was significantly smaller at wave two than wave one (31 per cent).

Reporting a change regarding employment at wave two was more common among respondents who were already working (37 per cent) and those who were unemployed and looking for work (36 per cent) than the economically inactive group (14 per cent). (See Figure 4.4).

**Evaluation of the lower benefit cap**

**Figure 4.4 Whether made employment-related change by employment status at wave two**

Base: All respondents

Base: Unweighted N = 833

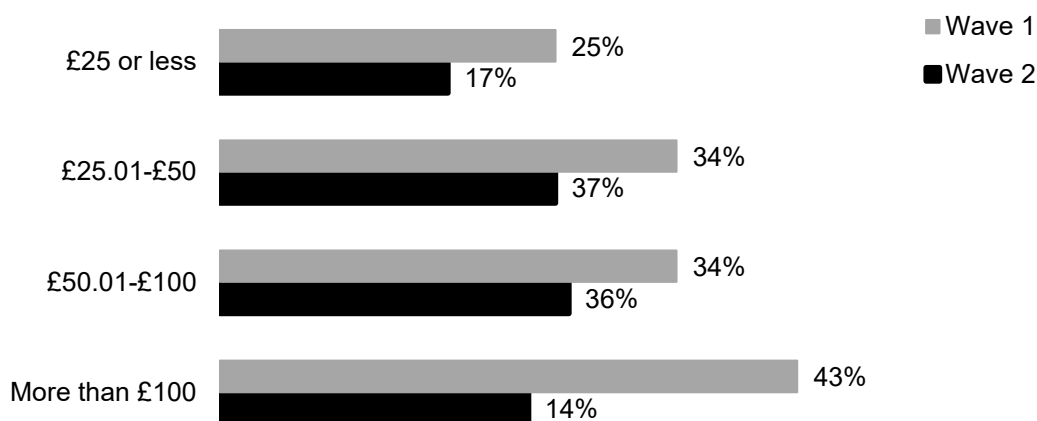


There were also significant differences by benefit type, with Universal Credit claimants more likely than Housing Benefit claimants to report changes in relation to work (33 per cent compared with 24 per cent). However, in contrast to wave one - where those capped over £100 a week were more likely to make employment-related changes than those capped by £25 or less (43 and 25 per cent, respectively) - there was no statistically significant difference at wave two in the proportions making an employment-related change by amount capped. (See Figure 4.5.)

**Figure 4.5 Whether made employment-related change by amount capped**

Base: All respondents except those no longer capped

W1 Base: Unweighted N = 1609  
W2 Base: Unweighted N = 352



The most commonly reported behavioural change in relation to work across all respondents was starting to look for a job (47 per cent of those who made employment-related changes in the six months up to wave two) (see Figure 4.6). Subgroup analysis shows that this was more commonly reported by those claiming Housing Benefit (48 per cent) than Universal Credit (31 per cent).

Additionally, a quarter of respondents who had made employment-related changes in the six months up to wave two reported having found a job, become self-employed or

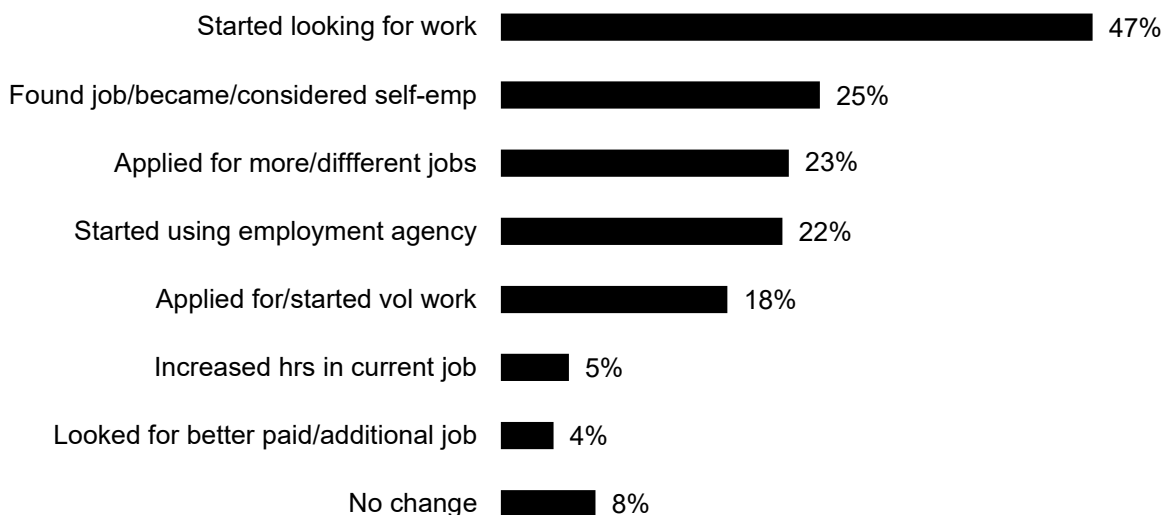
## Evaluation of the lower benefit cap

considered self-employment. This change was significantly more common among couples with children (40 per cent) than single parents (21 per cent).

**Figure 4.6 Type of change made in relation to work at wave two (multicode)**

Base: All respondents who made a change regarding work at wave 2

Base: Unweighted N = 226



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100..

### 4.3.2 Planned changes to employment or job search

Forty-five per cent of capped claimants said that they were planning to look for work or change their current employment in the next six months as part of the wave two survey – a significantly smaller proportion of respondents than at wave one (51 per cent).

It is important to note that there was no significant association between future plans to look for work at wave one and employment status at wave two; 24 per cent of those who planned to make changes regarding work at wave one were employed at wave 2, compared with 22 per cent who did not.

There was, however, a significant difference at wave two by the amount claimants had been capped. Looking only at respondents who were out of work at wave two, 46 per cent of those capped between £1 and £25 a week were planning to make changes regarding employment compared with 62 per cent of those capped more than £25 (see Figure 4.7).

Figure 4.7 Whether planning to look for work by amount capped

Base: All respondents who were out of work at wave two

Base: Unweighted N = 577



Those who lived in London and were out of work at wave two were also significantly more likely to report planning to make employment changes in the next six months (60 per cent) than those living in other parts of Britain (45 per cent).

### 4.3.3 Changing motivation to work: qualitative findings

Qualitative interviews were conducted with local authority staff, Jobcentre Plus work coaches and staff/volunteers at support organisations based within each of the case study areas. Interviewees were asked about the perceived impact of the benefit cap on claimants' attitudes and behaviours in relation to work.

Where interviewees thought capped claimants had become more motivated to move into the labour market, they gave the following reasons:

- Claimants realised that they would be financially better off in work
- Claimants needed to work because they could not afford to maintain their current lifestyle since being affected by the cap.

Interviewees noted that particular groups of claimants demonstrated an increased motivation to move into work. This included mothers with older children and claimants who had been out of work for a long period of time but had been encouraged by support staff to address barriers, such as a lack of confidence.

Where interviewees thought that claimants' attitude towards employment had **not** changed as a result of the cap, they gave the following reasons:

- **Claimants were already motivated to look for work:** one view was that a large proportion of claimants were already actively looking for work before they were affected by the benefit cap, so there was no scope for the cap to change their attitude towards employment.
- **Discretionary Housing Payments (DHPs) receipt delayed the need for change:** some interviewees thought that claimants receiving DHPs were not searching for work and would not engage with employment support services until they no longer had access to DHPs. (See Chapter Six for more information about the effect of DHPs).

- **Claimants had applied for exempted benefits:** interviewees noted an increase in claims for exempted benefits as a result of the new cap. They suggested this may be because claimants were previously unaware of what they were entitled to, or were less financially motivated to apply before the cap. The exempted benefits cited by interviewees included Personal Independence Payment, Disability Living Allowance for children and Carer's Allowance.
- **Individual and structural barriers:** some barriers to moving into employment (discussed in more depth in Section 4.4) also affected individuals' motivation to seek employment. For example, claimants with mental or physical health conditions, which meant they felt unable to work (despite having been assessed as able to move into employment when first capped), were thought to be unlikely to change their attitude towards work as a result of the benefit cap. This was essentially because the claimants saw the barriers they faced as insurmountable, and therefore did not view work as a viable option.
- **Claimants disagreed with the policy:** some interviewees thought they should be able to make their own choice about when it was right to go back to work, especially if that meant sending young children to childcare.
- **The cap amount does not necessitate behaviour change:** one alternative (minority) view was that even after the benefit cap, claimants' benefit income was too high to necessitate behavioural change regarding work. This view conflicts with that expressed by other interviewees (and discussed in Chapter 7: Other impacts), that claimants were facing significant financial hardship due to the cap.

Claimants may also have been taking other non-employment related action to mitigate the effect of the cap, for instance making changes to their housing situation. These changes were thought to offset, or delay, the need to reassess attitudes to work. (For further discussion of this issue see Section 7.2).

## 4.4 Barriers to employment

### 4.4.1 Barriers to moving into employment for those out of work

Barriers to work were predominantly focused on responsibilities towards children and childcare at both survey waves. The largest barrier at both waves for those not in employment was caring for a child or children (59 per cent at wave two and 58 per cent at wave one), reflecting the fact that around three-quarters of claimants affected by the lower cap had pre-school age children.

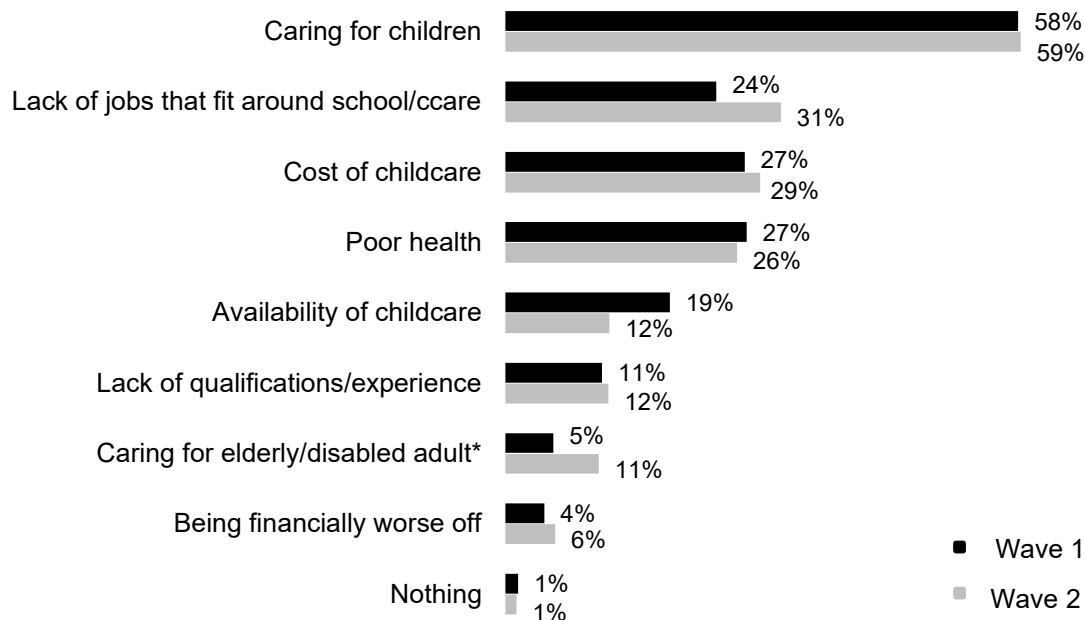
Connected to this were a lack of jobs with flexible hours to fit around school or nursery provision (31 per cent at wave two, 24 per cent at wave one), the cost of childcare (29 per cent at wave two, 27 per cent at wave one) and the (lack of) availability of childcare (12 per cent, and 19 per cent). Results are set out in Figure 4.8.

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**Figure 4.8 Barriers to work for those not in employment (multi-code)<sup>24</sup>**

Base: All respondents not in full or part-time employment

Base: Unweighted N = 608



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

\* Those claiming Carer's Allowance are exempted from the benefit cap

The relationship between barriers to work and caring responsibilities for children is borne out in subgroup analysis, which showed that lone parents and those with younger children (aged under 2) were significantly more likely to see caring for children, as well as the cost of childcare, as a barrier to work. For example, 80 per cent of lone parents with children aged under two cited caring for children as a barrier to moving into work, compared with 54 per cent of couple parents. Similarly, lone parents with pre-school aged children were significantly more likely to report the cost of childcare as a barrier to work than couple parents (77 per cent compared with 60 per cent) (see **Error! Reference source not found.**).

Interestingly, there were no statistically significant differences in proportions reporting caring for children or the cost of childcare as a barrier to work, by the number of children in the household.

<sup>24</sup> Response categories with less than 30 cases at wave two have been excluded from the chart. The one exception being the answer category 'nothing' (n=9).

**Table 4.1 Barriers to work for lone and couple parents by age of youngest child**

<i>Barrier to work</i>	Youngest child under 2 (%)	Youngest child 2-4 (%)	Youngest child 5+ (%)
<i>Caring for child/ children</i>			
Lone parents	80	66	48
Couples	54	55	30
<i>Cost of childcare</i>			
Lone parents	46	31	14
Couples	36	24	4
<i>Unweighted base (lone parents)</i>	205	146	88
<i>Unweighted base (couples)</i>	55	37	33

(Interpretation note: 80% of lone parents with a youngest child under 2 years old reported caring for a child as a barrier to work)

Over a quarter of respondents who were not in work at wave two (26 per cent) reported poor health as a barrier to employment. This was far more common among non-working single claimants without children than other respondent groups; 74 per cent, compared with 35 per cent of couples with children and 19 per cent of lone parents. Indeed, claimants with a self-reported long-term health condition were, unsurprisingly, more likely to cite poor health as a barrier to work (55 per cent) than other unemployed or economically inactive respondents (3 per cent). Whilst the figures show that poor health is an important barrier to work, it is interesting to note that nearly half of those self-reporting a long-term health condition did not regard it as an obstacle to employment. It is also important to recognise that all respondents subject to the cap, and therefore in the survey sample, had been assessed as able to work when first capped under the lower cap.

#### **4.4.2 Barriers to increasing hours or earnings for those in work**

For those who were already working<sup>25</sup> (23 per cent of wave two survey respondents), the most commonly reported barrier to increasing work hours or earnings<sup>26</sup> at both survey waves was also caring for children (45 per cent at wave one and 41 per cent at wave two). However, proportions reporting this barrier to increasing hours or earnings were considerably lower than for respondents currently out of the labour market.

<sup>25</sup> Numbers include respondents who are working, but no longer affected by the benefit cap.

<sup>26</sup> It is important to note that respondents were not asked about a specific number of hours. This means it is not possible to disaggregate between those who were already working more than 16 hours a week, or to identify those who were looking to increase hours beyond the 16-hour threshold.



## Evaluation of the lower benefit cap

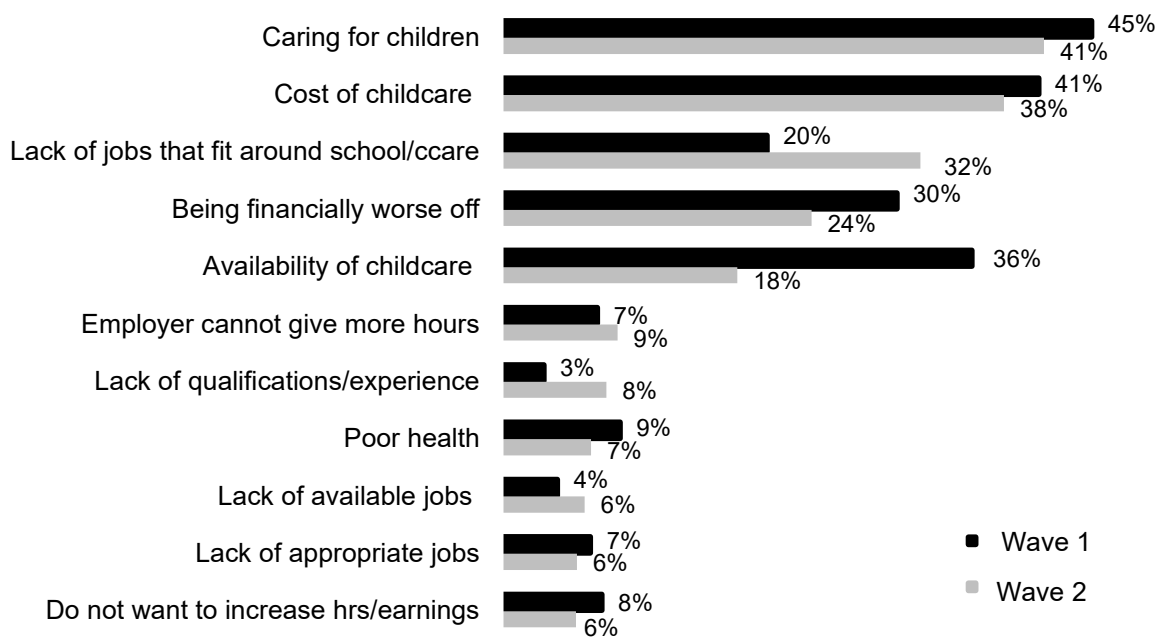
For the in-work group, this was followed by the cost of childcare (38 per cent) and finding work to fit around school or nursery hours (32 per cent), reflecting responses from those in the out of work group.

One notable difference between employed respondents and those out of the labour market was that working claimants were more likely to report the lack of financial gain from increasing their hours or earnings. Just under a quarter of employed respondents (24 per cent) said that they would be ‘financially worse off’ if they increased their hours or earnings, whilst just six per cent of unemployed/ inactive respondents said the same of moving into work. Subgroup analysis showed no statistically significant differences between UC claimants and those in receipt of HB (20 per cent compared with 23 per cent).

**Figure 4.9 Barriers to increasing hours or earnings (multi-code)**

Base: All respondents in full or part-time employment

Base: Unweighted  
N wave 2 = 231  
N wave 1 = 160



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

### 4.4.3 Barriers to work: qualitative findings

Survey findings around the barriers capped claimants face regarding work corresponded closely with those raised during qualitative interviews with stakeholders.

Interviewees highlighted a range of barriers to work that affected claimants they had worked with, although they were not specific to the capped population. However, those who were vulnerable to these barriers were often those disproportionately

## Evaluation of the lower benefit cap

affected by the cap; this includes lone parents, those with larger families and claimants with pre-school children.

The barriers to moving into work discussed during the interviews fell into two key categories: individual and structural factors.

Individual factors included those that were work-related, such as lack of recent work experience; a lack of education or qualifications and a lack of English language skills.

*'[Claimants] were scared to go back into work. They haven't worked or they haven't done maths or English or they haven't had that proper education.'*

(Work coach, Jobcentre Plus)

Interviewees also described claimants as having low confidence, health conditions or personal circumstances which impacted on their ability to find and retain work. For example, those without a permanent address found it extremely difficult to look for or accept paid work as they were unsure where they would be from one week to the next. *'If they're in temporary accommodation it makes it a little bit difficult for them to do things... [they are] worrying about where they are living... they don't know where – which way to move next because they could be moved out of the area.'*

(Work coach, Jobcentre Plus)

Caring responsibilities were perceived as a significant barrier preventing claimants moving into work, either because this necessitated finding and accessing affordable childcare, or because claimants felt it was better for their children to be with them rather than attending childcare. This corresponds closely with findings from the survey, where the largest barrier to moving into employment in both waves was caring for children (58 per cent and 59 per cent at wave one and two, respectively).

*'If they've got children with health problems, health issues, that might prevent them from going back [to work] or families that have just broken up, they may feel that they need to stay at home and, and provide a, a safe environment for their children rather than upturn the household anymore.'*

(Work coach, Jobcentre Plus)

Structural factors also posed barriers to moving into work. The lack of affordable childcare was perceived as one such barrier for claimants. Childcare was considered hard to find and could be prohibitively expensive even accounting for government provided subsidies, especially if claimants had a large family. Claimants were also not always aware of the childcare support available to them. Interviewees noted in particular that the 30 hours childcare offer did not necessarily provide a solution to this, as many providers were not offering it, and it did not yet cover all areas.

Additionally, while it was acknowledged that Jobcentre Plus's flexible support fund could assist claimants with barriers such as travel and childcare costs, interviewees also noted that the fund did not cover all childcare costs, so childcare might still be unaffordable.

*'If they've got more than a few children, that's quite difficult, because obviously, even though we pay for childcare, it's still only up to certain amounts and it's difficult to find.'*

*'If you're looking for a childminder to look after four children, it'd be very difficult.'*  
(Work coach, Jobcentre Plus)

A further structural barrier was a lack of jobs that were suitable for claimants. This included difficulties finding jobs with hours that were compatible with claimants' caring responsibilities, or jobs that were secure and sustainable in the long-term, for instance, having enough hours a week to allow claimants to move out of the benefit system.

*'I don't think that people genuinely do not want to work; it's about securing suitable sustainable employment, not just any employment.'*  
(Project co-ordinator, support organisation)

Interviewees also noted that in rural areas there was often a lack of affordable transport available for claimants to access work.

*'Even if there were jobs it would be very difficult for [claimants] to get there and have childcare... Our area's got a lot of rural areas so the logistics of actually travelling is a major part of getting to a job.'*  
(Welfare officer, local authority)

Enablers to help claimants move into work were largely the reverse of the barriers described above. For example, helping claimants to find and access affordable childcare, or a job which fits within school hours, were seen as important facilitators, helping parents move into employment. Participants also described providing financial support, for instance Jobcentre Plus staff could assist claimants with initial travel costs. Likewise, tackling personal barriers to work such as gaining relevant work experience and building self-confidence were seen as important steps in moving claimants towards the labour market.

*'Working with these people to build their confidence, to build their understanding of their skills, and to encourage them back into work.'*  
(Manager, support organisation)

## 4.5 Advantages of work

There is now a large body of evidence to show that work, in particular good quality work, has advantages for our health and wellbeing.<sup>27</sup> Work contributes to happiness, and helps build confidence and self-esteem, as well as bringing financial rewards. This body of research evidence underlies key policy messages promoting work.<sup>28</sup>

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<sup>27</sup> Rueda, S., Chambers, L., Wilson, M., Mustard, et al. (2012) 'Association of returning to work with better health in working-aged adults: a systematic review', *American Journal of Public Health*, 102, 541–56. DWP and DoH (2016) *Improving Lives: The Work, Health and Disability Green Paper*, Cm 9342, London: OGL.

<sup>28</sup> DWP (2017) *Improving Lives: Helping Workless Families*, London: OGL.

<https://www.gov.uk/government/publications/improving-lives-helping-workless-families>

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With this policy context in mind, capped claimants were asked what they saw as the benefits (if any) of work. This question was asked separately of employed respondents and those who were out of work.

### 4.5.1 Advantages of work for those not in employment

Only a minority of unemployed claimants (26 per cent) saw no advantages to being in work, however, this was the third most commonly reported response at wave two. For the largest proportion of respondents the benefits were financial (see Figure 4.10) – reported by 48 per cent of capped claimants in the out-of-work group. Despite a drop of seven percentage points from wave one, this difference was not significant. However, there was a significant increase in the proportion of respondents who said they would be ‘happier’ in work (from 20 per cent to 30 per cent).

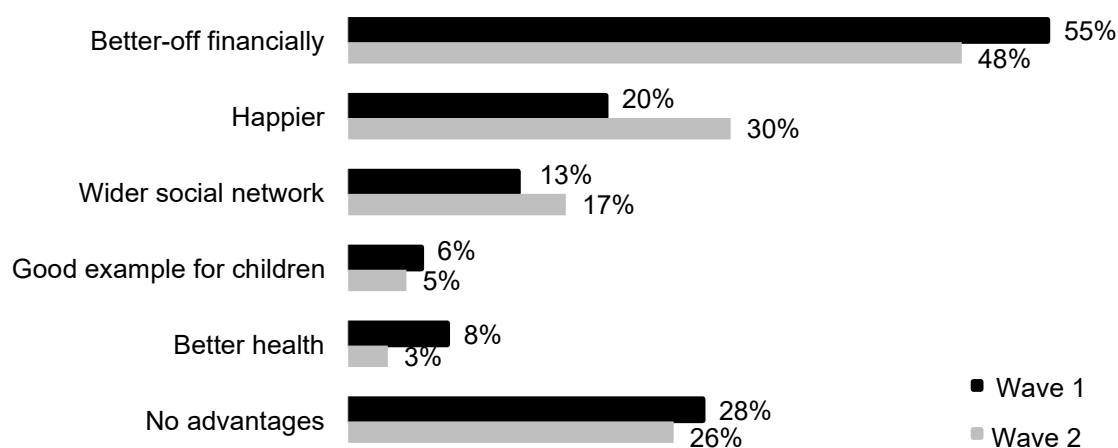
**Figure 4.10 Advantages of work for those not in employment (multi-code)**

*Base: All respondents not in full or part-time employment*

*Base: Unweighted*

*N wave 2 = 609*

*N wave 1 = 564*



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

Subgroup analysis showed that respondents who had worked in the last three years were more likely than the very long-term unemployed to feel that they would be happier in work (41 per cent, compared with 28 per cent). Findings also showed that those who were affected by the previous benefit cap were less likely to say they would be happier in work than those affected only by the lower cap (21 per cent compared with 32 per cent). These two findings may well be connected, with claimants affected by the previous cap also being more likely to be unemployed or economically inactive for a longer period. They suggest that the more disconnected claimants are from the labour market (i.e. the longer they have been out of work), the less likely they are to perceive advantages in terms of personal wellbeing.

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Interestingly, there were no statistically significant differences across any of the answer categories according to whether the respondent was in receipt of UC or HB.

### 4.5.2 Advantages of work for those in employment

The most commonly reported benefits for those who were currently in work were also financial ones (48 per cent of employed respondents said their 'finances were better' at wave two). This was followed by being happier (33 per cent). Similarly to those in the out of work group, the third most common response, given by a quarter of respondents, was that there were 'no advantages' to being employed.

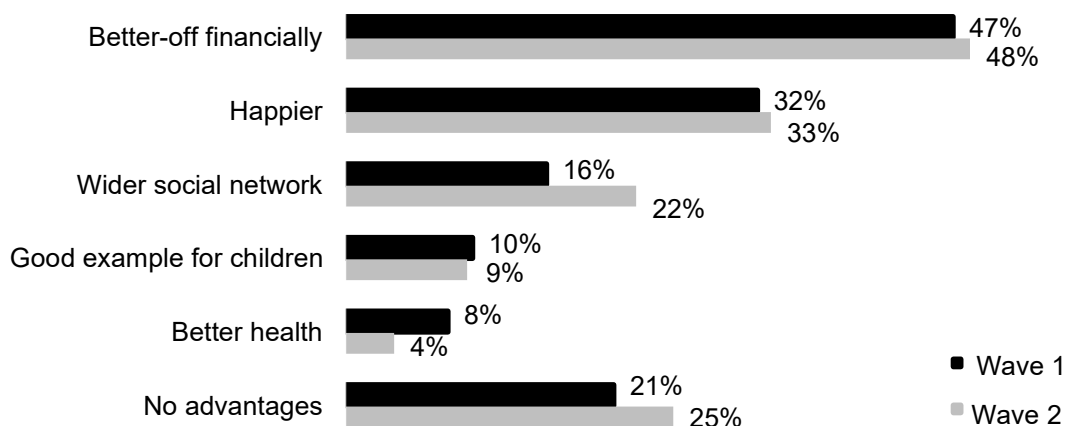
**Figure 4.11 Advantages of work for those in employment (multi-code)**

*Base: All respondents in full or part-time employment*

*Base: Unweighted*

*N wave 2 = 232*

*N wave 1 = 158*



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

### 4.5.3 Employment support available to capped claimants: Qualitative findings

Employment support provided by local authorities and support organisations to capped claimants can be grouped into four core areas or categories: support with the process of applying for a job; supporting claimants to assess their options; skill development; confidence building and emotional support.

- **Applying for jobs:** support involved helping claimants to write CVs; providing information about the options available and current vacancies; providing support to carry out online job searches; assisting with interview preparation and providing access to work experience. Participants also mentioned helping those in zero-hours contracts to find sustainable work.
- **Assessing their options:** this process included identifying claimants' skills; encouraging them to pursue their interests; providing one-to-one support; and

## Evaluation of the lower benefit cap

working through the personal and structural barriers claimants faced getting back into work.

- **Skills development:** this included developing core employability skills/ work behaviours and formal/ technical training. Employability skill development focused on building soft skills and developing good work-related practices, such as stressing the importance of punctuality and dressing appropriately. Formal/ technical training included attending courses and gaining specific qualifications needed for the specific jobs claimants aspired to. Examples of training provided to claimants included confidence building, English language classes, and vocational courses in subjects such as accounting or childminding.
- **Confidence building and emotional support:** this particular form of support tended to be targeted at those who were further away from the labour market (i.e. those who had been out of work for an extended period), and/or those with mild to moderate mental health conditions. The support focused on moving claimants closer to the labour market by building self-confidence regarding work, developing awareness of existing skills and providing emotional support as the claimant starts to search for work.

### Changes to employment support services post-implementation of the benefit cap

Interviewees' views differed as to whether the supply of local employment support services had remained the same as under the previous cap or had expanded since the lower cap had been implemented. Jobcentre Plus staff typically reported that employment support services had remained largely consistent. However, a contrasting view (predominantly among interviewees from local authorities providing intensive work-related support) was that a wider range of support services had been offered in response to the lower cap.

This difference in view may reflect the fact that Jobcentre Plus staff were likely to already be providing an intensive level of support to claimants, whereas local authority staff adopted more intensive support measures in response to the new lower benefit cap.

### Barriers to accessing employment support

- **Personal circumstances:** mental health issues and limited childcare options acted as barriers to claimants engaging with work-related support.
- **The attitude of claimants:** some interviewees believed claimants wanted to manage their problems without any outside help; or were resistant to working.

These barriers to accessing employment support were not raised by all stakeholders, and some thought that there were no barriers to claimants accessing support.

#### **4.5.4 Key findings and reflections: Employment**

It appears that there has been movement into work at both survey waves, which suggests some headway in terms of the policy goal to motivate claimants to find employment (although the survey does not allow us to explore the counterfactual, i.e. what would have happened in the absence of the benefit cap). The link between the amount claimants were capped and future plans to look for work at wave two (discussed in Section 4.3.2) adds additional weight to this finding, as does the relationship between amount capped and proportions making employment-related changes at wave one. However, as noted in Section 4.3.1, by wave two the latter association was no longer present, suggesting that this element of the increased work incentive does not remain longer-term. (See Chapter 7 for further discussion of the inter-relationship between cap amount, financial situation and employment and housing changes.) Additionally, despite movement into employment there are still large numbers of capped claimants who are not looking for work or planning to look for work in the foreseeable future. This is connected to significant, and for some, potentially insurmountable barriers to work, for example, the need to care for very young children, or a health condition or disability.

The drop in numbers making or planning behaviour change regarding work between the two survey waves may indicate that the majority of those who are work-ready, or face less significant barriers to work have made the necessary changes to move into employment in the first year of being subject to the lower cap. This may also partially explain why being capped a larger amount is only associated with employment changes at wave one, and not wave two. This leaves a pool of claimants, including those with self-reported health conditions or very young children/ large families, who are much less able and therefore much less likely to move into work, and for whom any larger reduction in benefits will not necessarily stimulate further employment-related changes. This group has, or must, find other ways to manage their reduced benefit income and may be disproportionately affected by the benefit cap in other ways (see Chapter 7: Other impacts).

## 5 Housing

This evaluation is also concerned with the effect of the benefit cap on claimants' housing situation, in particular whether they have considered any changes to their housing, for example, moving into lower cost accommodation, and any barriers they face in doing so. Moving home is one way that households can reduce their benefit awards to move out of the cap. However, it is important to note that encouraging claimants to move home is not a primary policy objective.

The chapter considers housing-related changes made by claimants as a result of the benefit cap, together with the significance of the reduction in benefits in instigating a house move. It goes on to explore planned housing changes, together with the barriers to moving reported by claimants, and perceived by staff working in local authorities, Jobcentre Plus and support organisations. The chapter concludes with analysis of claimants' situation regarding rent arrears and receipt of Discretionary Housing Payments (DHPs).

### 5.1 Housing circumstances

This first section looks at claimants' housing situation at wave two, and any changes that have occurred since wave one, providing important context to inform interpretation of the remainder of this chapter. Respondents may wish to move for a range of reasons, but their priorities and motivations will clearly be influenced by their housing circumstances, as well the barriers they face in making changes.

#### 5.1.1 Housing tenure<sup>29</sup>

Figure 5.1 shows that at both waves one and two, the majority of capped claimants rented their housing (89 per cent at wave one and 90 per cent at wave two), most frequently from social landlords (56 per cent at wave two – a significant increase from 51 per cent at wave one). While the proportion who were in temporary accommodation or homeless was relatively small and stable between waves (eight and seven per cent), there was some movement in and out of these groups. Table

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<sup>29</sup> In any cases where information on housing situation was not available from the survey, linked admin data was used for these respondents when possible.

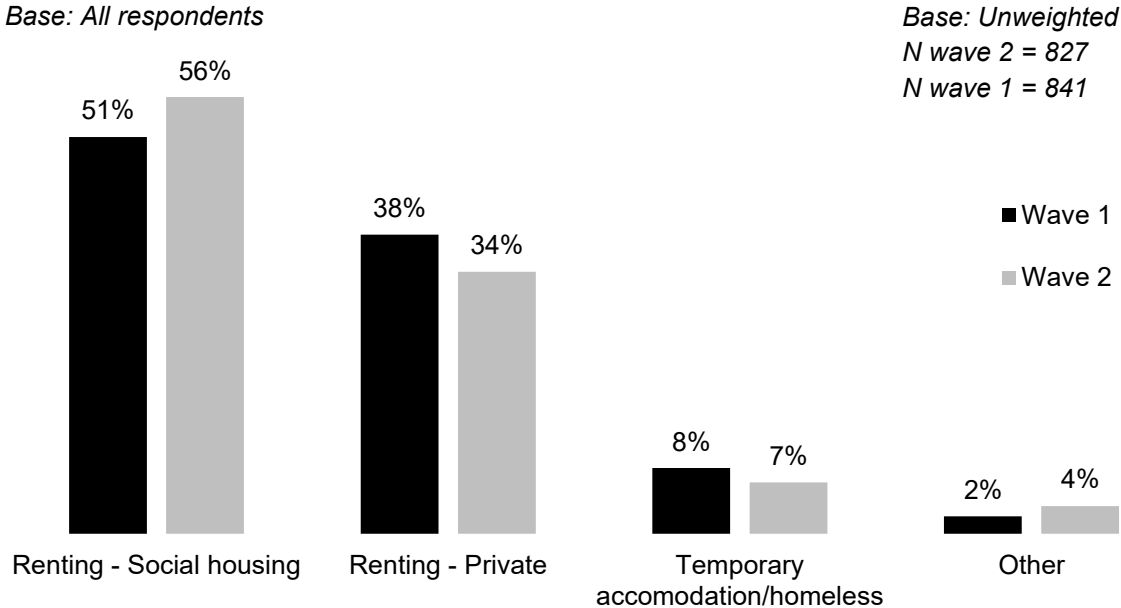


**Evaluation of the lower benefit cap**

5.1 shows that three per cent<sup>30</sup> of capped claimants were in temporary accommodation at wave one but had found rented accommodation by wave two, and two per cent were in private or social rented accommodation at wave one but were in temporary accommodation or homeless by wave two.

The breakdown of claimants' housing situation across waves one and two is displayed in Figure 5.1.

**Figure 5.1 Housing situation**



Note: Respondents who owned their home <0.5% at waves one and two.

<sup>30</sup> Figure does not match Table 5.1 due to rounding.

**Table 5.1 Changes in housing situation between wave 1 and wave 2**

Tenure in wave 1 and wave 2	%
Social rented sector (SRS) both waves	52
Private rented sector (PRS) both waves	34
Temp accommodation or homeless both waves	5
SRS wave 1/PRS wave 2	1
SRS wave 1/Temp accommodation or homeless wave 2	1
PRS wave 1/SRS wave 2	4
PRS wave 1/Temp accommodation or homeless wave 2	1
Temp accommodation or homeless wave 1/SRS wave 2	2
Temp accommodation or homeless wave 1/PRS wave 2	0
<i>Unweighted base (all respondents, except those selecting 'other' or 'own home' in either wave)</i>	796

It is in the private sector where the highest rent amounts are found, an average (mean) of £178 per week at wave two, compared with £125 for those in the social rented sector.<sup>31</sup> These figures reflect differences by tenure in the wider population (reported in the English Housing Survey); the average weekly private rent payments being almost twice those of LA housing, £184 compared with £95.<sup>32</sup>

Those claiming UC rather than HB were more likely to be paying a rent of £150 or more per week (57 per cent compared to 30 per cent). This is because at the time of the survey, UC claimants were clustered in the South East of England, where rents are higher, on average, than the rest of the country.

## 5.2 Housing-related changes

### 5.2.1 Changes made to housing

When asked whether they had made, or attempted to make, changes to their housing in the last six months as a result of the cap, a fifth (20 per cent) said that they had. This was a significantly smaller percentage than at wave one (29 per cent).<sup>33</sup>

Claimants were more likely to have made or attempted to make housing changes as a result of the cap at wave two if they:

- Lived in London (26 per cent of whom made/attempted make a change to housing), compared with those not living in London (17 per cent).

<sup>31</sup> Source: linked administrative data from those respondents who consented at both waves one and two.

<sup>32</sup> DCLG (2017) *English Housing Survey: Housing costs and affordability 2015-16*, p. 3.

<sup>33</sup> Figures do not include those in temporary accommodation or homeless.

## Evaluation of the lower benefit cap

- Claimed Housing Benefit (20 per cent) rather than Universal Credit (12 per cent).
- Had a weekly rent of more than £150 a week (22 per cent), compared with less than £100 a week (10 per cent).
- Rented from a private landlord (22 per cent), compared with social housing (14 per cent).<sup>34</sup>

### 5.2.2 Whether move was successful and distance moved

Overall, only 4 per cent of capped claimants successfully moved in the six months prior to wave two, compared to 9 per cent in the six months to wave one. (This difference was not statistically significant.) Over two-thirds (68 per cent) of those who attempted to move in this period<sup>35</sup> were not successful. Although this was a higher proportion than wave one (54 per cent), this difference was not statistically significant. Those who had been able to move in the six months prior to wave two generally went just a short distance: nearly two-thirds (65 per cent) less than 15 minutes' drive away from their original home; and just ten per cent more than 45 minutes' drive.

### 5.2.3 Type of housing change made

Figure 5.2 shows the types of housing-related changes made, or attempted, at wave two as a result of the lower cap.<sup>36</sup> Most frequently, claimants moved, or tried to move, to another property in the social rented sector (54 per cent of those attempting a housing change), or private sector (30 per cent). Moving into social housing, where rents are considerably lower than in the private rented sector,<sup>37</sup> may mean that claimants are capped less, or become exempt from the cap.

Of those who made (or attempted) a housing change as a result of the cap, six per cent had moved into temporary accommodation, and 13 per cent had been evicted or became homeless in the six months prior to wave two.<sup>38</sup> However, as mentioned in Section 5.1.1, the *overall* proportion of capped claimants who were in temporary accommodation or homeless remained relatively stable between the waves (eight per cent at wave one and seven per cent at wave two).

Only a small proportion of respondents successfully negotiated a lower rent with their landlord (three per cent, with seven per cent making an unsuccessful attempt). The difficulties of renegotiating rent in a competitive rental market are further explored in the qualitative findings in Section 5.3.3.

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<sup>34</sup> Differences by family type or whether affected by the previous benefit cap were not significant,

<sup>35</sup> Figures do not include those in temporary accommodation or homeless

<sup>36</sup> Differences in proportions of respondents making any type of change at W1 were not statistically significant.

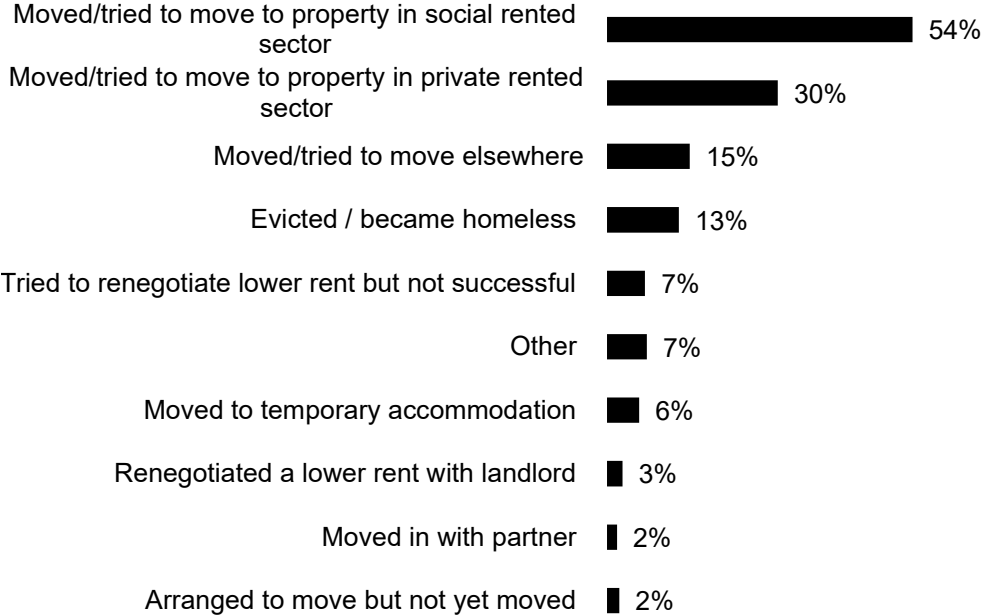
<sup>37</sup> Nineteen per cent of respondents in the social rented sector paid more than £150 per week in rent compared with 50 per cent of those in the private rented sector.

<sup>38</sup> Direct comparison to wave one is not possible, as these options were added as explicit coding categories at wave two.

Evaluation of the lower benefit cap

**Figure 5.2 Changes made in relation to housing as a result of the cap at wave two (multi-code)**

Base: Those at W2 who had made/attempted housing change in 6 months to W2, excluding those in temporary accommodation/ homeless Unweighted N = 133



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

**5.2.4 Reasons for moving/ attempting to move house**

For a considerable majority of those who moved or attempted to move house in the six months up to wave two, the reduction in benefit income was the key factor in the decision to look for another place to live. Forty-four per cent of respondents said they had no other reason for moving or attempting to move, and, of those who gave additional reasons, 99 per cent said the cap was very or quite important (74 per cent and 25 per cent) to their decision. This was very much in line with responses at wave one, where 43 per cent said they had no reason other than the benefit cap for moving or attempting to move, and 96 per cent of those who gave additional reasons said the cap was very or quite important to their decision.

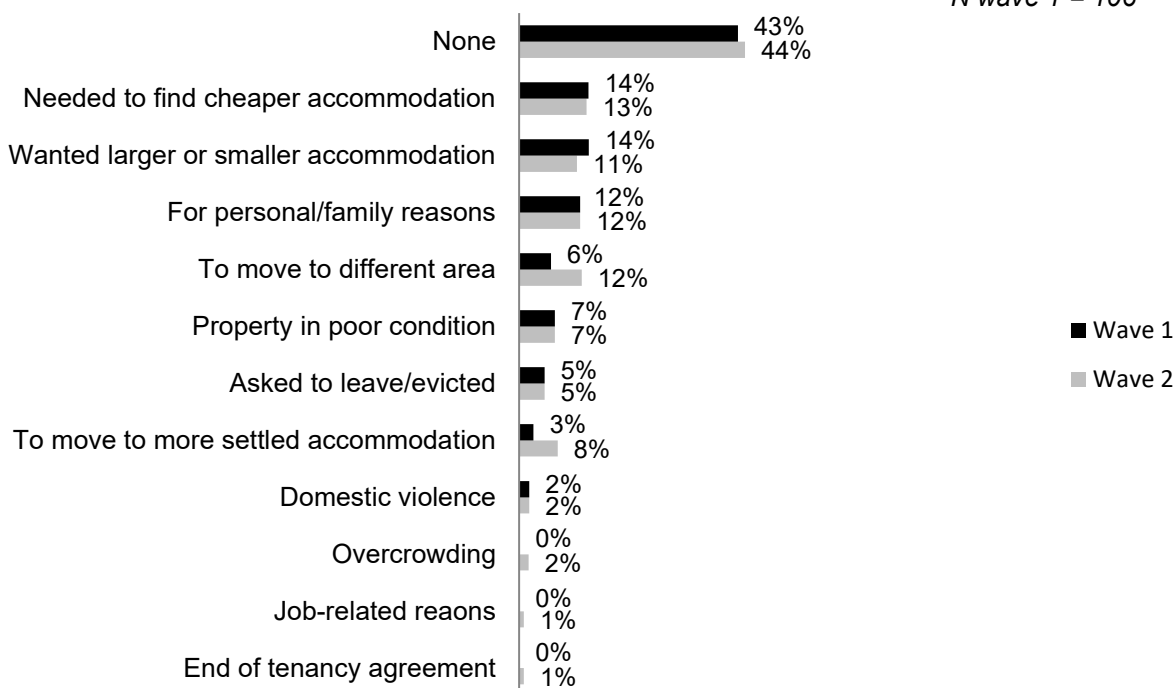
Figure 5.3 shows the additional reasons given by claimants for moving, or attempting to move.

## Evaluation of the lower benefit cap

**Figure 5.3 Reasons, other than the benefit cap, for moving/attempting to move house (multi-code)**

Base: Those who moved/attempted to move. Excludes those in temporary accommodation/homeless

Base: Unweighted  
N wave 2 = 136  
N wave 1 = 106



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

### 5.2.5 Planned changes to housing and barriers to moving

Just over a fifth (21 per cent) of capped claimants at wave two were planning to make changes to their housing over the next six months, as a result of the reduction in their benefits.<sup>39</sup>

Of this group, only five per cent anticipated no obstacles to doing so. The most frequently cited barrier (49 per cent) was a lack of affordable properties. Related to this, nearly a fifth (18 per cent) said lack of social housing made it difficult to move, a higher percentage than at wave one (four per cent)<sup>40</sup>. Over a fifth (22 per cent) said the costs associated with moving would make it difficult, and 19 per cent said raising a deposit would be one of the challenges to moving. Around a fifth (21 per cent) said that being settled in an area would make it hard to move.<sup>41</sup>

<sup>39</sup> Figures do not include respondents living in temporary accommodation or homeless.

<sup>40</sup> 'Lack of social housing' was added to the answer categories at wave two and was not an answer category at wave one, but coded from the 'other' response option. This may partly explain the increase in this response at wave two. However, respondents were given little guidance to answer this question (i.e. they were not told the answer categories), with interviewers coding the responses.

<sup>41</sup> Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

## Evaluation of the lower benefit cap

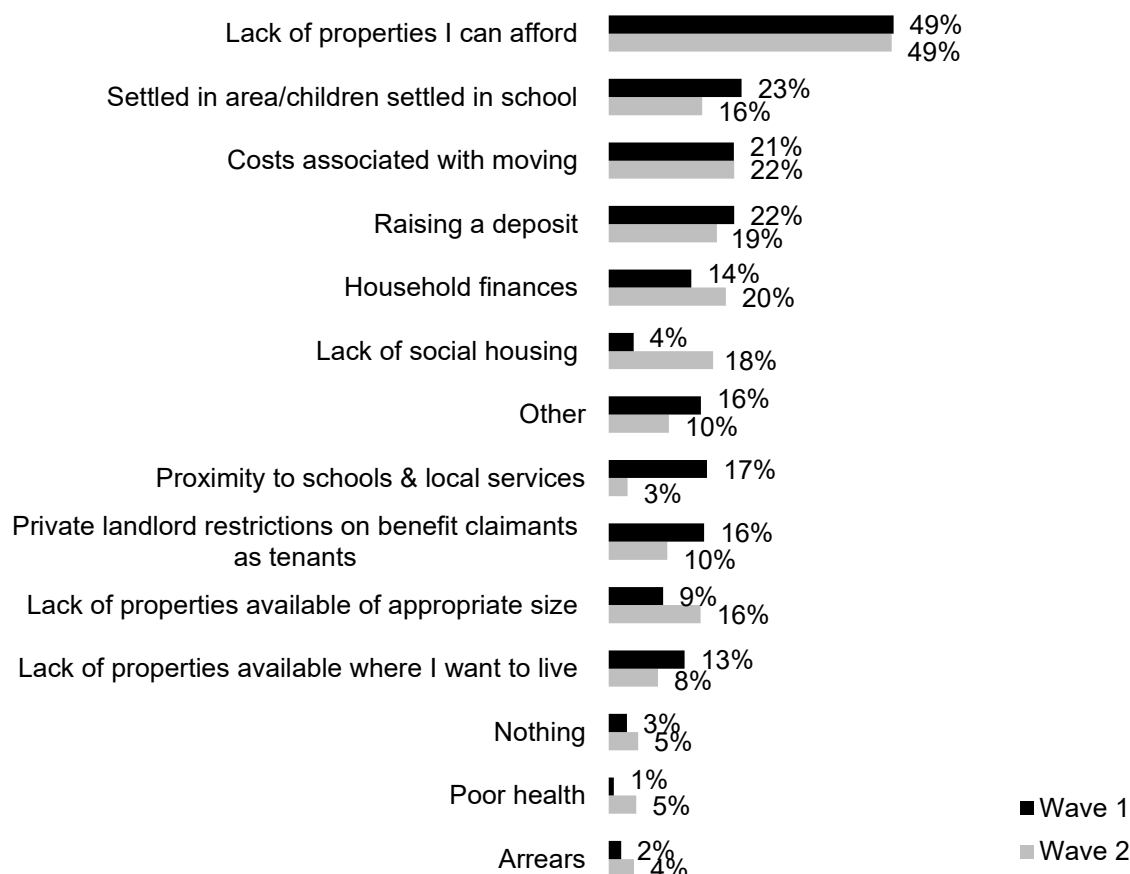
Private landlord restrictions on having benefit claimants as tenants was more likely to be reported as a barrier to moving amongst capped claimants living outside London (12 per cent), compared to those living in London (one per cent); and amongst those currently in private rented accommodation (18 per cent) compared to those in social rented accommodation (zero per cent). Lack of affordable properties was also, understandably, more likely to be reported by those in private rented accommodation (58 per cent) compared to those in social rented accommodation (32 per cent).

These barriers to claimants making housing changes are further explained by the qualitative findings, outlined in the following section, and shown in Figure 5.4.

**Figure 5.4 Barriers to moving, amongst those planning to make housing changes (multi-code)**

*Base: Respondents who were planning to move, excluding those in temporary accommodation*

*Base: Unweighted  
N wave 2 = 173  
N wave 1 = 152*



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

## 5.2.6 Perceived barriers to making housing-related changes: qualitative findings

During the qualitative interviews with staff from local authorities, Jobcentre Plus, and local support organisations, participants were asked about their perceptions of the barriers capped claimants face to making housing changes.

Mirroring the findings of the survey with claimants, in which 49 per cent of claimants reported that lack of affordable properties was a barrier to moving, case study interviewees thought that options could be extremely limited for claimants looking for affordable, alternative accommodation.

*'There is a severe shortage of affordable rental properties. With the best will in the world, [capped claimants] know that they need to downsize, but they can't find anywhere.'*

(Manager, support organisation)

Lack of social housing also flagged as a barrier to moving in the survey. Qualitative participants highlighted that this could be a particular issue for those claimants who were not in the 'priority' housing groups.

*'If you are a single person with no kids, you can get stuck on the housing list as you will have less points, so you will never get a transfer to a smaller house.'*

(Lead officer for housing services, local authority)

A further complication reported in the qualitative interviews was that child room-sharing restrictions in the social rented sector mean that families with children can only be offered a house of a certain size. However, some of these families were not then able to afford the larger property, leaving them caught in a catch-22 situation.

Ten per cent of claimants who had made or attempted housing changes reported private landlords' restrictions on having benefit claimants as tenants was a barrier to moving. Again, this was echoed by case study interviewees, who highlighted that some private landlords' reluctance to rent to claimants was an ongoing problem. Some of this group believed that this barrier had become more prevalent in recent years, but this was not a universal view.

*'Landlords just don't want to have DSS or councils paying parts of their rent, so that's always been, and continues to be, a barrier.'*

(Benefit Cap Officer, local authority)

Only three per cent of claimants who had made or attempted housing changes had successfully renegotiated their rent. The lack of scope for doing this in most private rented properties was highlighted by interviewees, amongst whom there was a widespread view that a lack of rental properties meant that "landlords can just take their pick" (Benefit Cap Officer, local authority). Some thought that this meant that many capped claimants were prioritising their spending on rent where possible, and seeking savings in other areas.

The receipt of DHPs was perceived by some interviewees as potentially delaying the need for claimants to adjust to their reduced income, and therefore not seeking to

change their employment and/or housing situation. However, this tended to be a view in areas where there was limited employment-related support offered to transition claimants away from relying on DHPs. The more positive view was that DHPs gave claimants the time they needed to address their situation. For more detail, see the discussion of DHPs in Chapter Six. Other reasons for claimants not making housing changes were more generic, and applied more broadly across housing and employment. See Section 4.3.3 for discussion of these additional factors.

## 5.3 Rent arrears

### 5.3.1 Rent arrears

Overall, by wave two, half (50 per cent) of capped claimants reported that they had not been in arrears since being capped. However, 46 per cent said they had been in arrears at some point in the last 13 months, and that these had started *after* being affected by the cap. It is important to note that the cap is not the *only* reason that an individual will move into arrears – for example, a small proportion of claimants (four per cent) were in arrears over this period which pre-dated the cap implementation. (See Figure 5.5<sup>42</sup>.)

At wave two, the majority of capped claimants (65 per cent) were not missing rent payments 13 months after being capped, a proportion which was not significantly different to wave one (61 per cent). However, over a third (35 per cent) of wave two respondents were in arrears, and this was more likely if claimants had been capped for more than six months (41 per cent, compared with 27 per cent of those capped less than six months). The picture from the survey findings, therefore, is of the overall proportion of capped claimants in arrears not increasing between waves one and two, but – unsurprisingly – the likelihood of being in arrears *for individuals* increasing as length of time on a lower income increases.

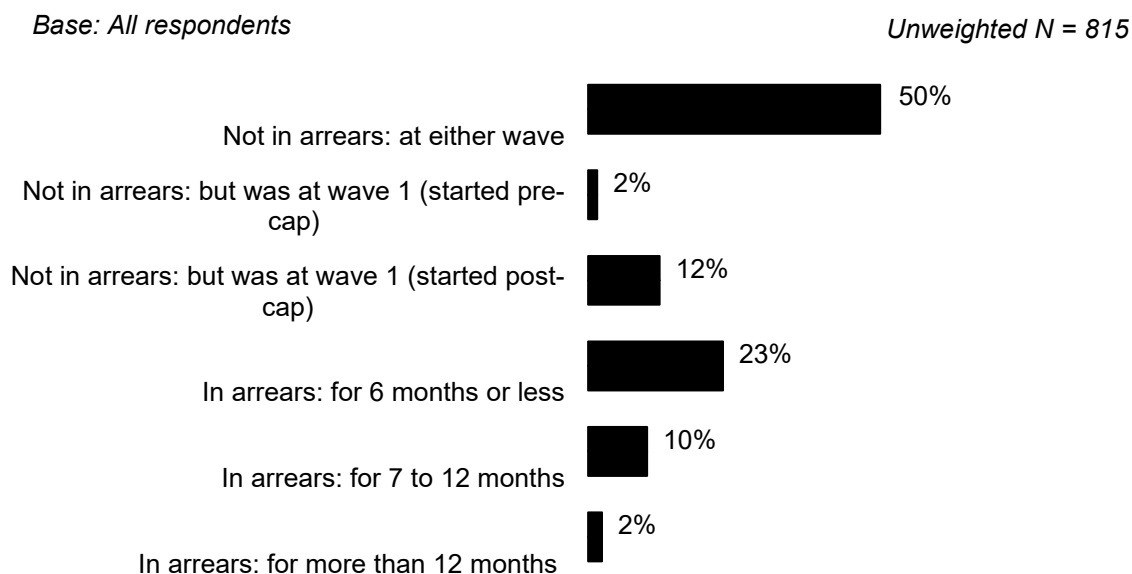
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<sup>42</sup> Statistics in text and Figure 5.5 do not match exactly due to rounding.



## Evaluation of the lower benefit cap

**Figure 5.5 Proportions in arrears at wave two; any changes since affected by lower cap**



There was no statistically significant difference in the proportion of claimants in arrears at wave two by whether they were claiming UC or HB, or region.<sup>43</sup>

### 5.3.2 Rent arrears: Qualitative findings

Some participants in the qualitative interviews perceived increased levels of arrears in their local area since the introduction of the benefit cap. However, the observation was also made by some interviewees that it is not always possible to identify these as the effect of the benefit cap alone, as this policy change was part of wider set of welfare reforms.

*'The sense we have is that [in the borough] we have more people in bed and breakfast and emergency accommodation than we've ever had before, and we also have the highest number of rental arrears.'*

(Director of Gateway Services, local authority)

Some of those qualitative participants who perceived an increase in claimant arrears thought that the corresponding increase in evictions had not yet been seen, but may become apparent without further bolstering of support services.

*'As a result of the benefit cap we haven't seen a perverse increase in the number of evictions at the moment, but it is important to stress: this is at the moment. There are additional costs and other support services that are mitigating those actions that are not correctly funded.'*

(Director of Personal Crisis Prevention Services, local authority)

<sup>43</sup> There was also no significant difference in the proportions in arrears by amount capped, when those who were no longer capped were filtered out, or by housing tenure.

## Evaluation of the lower benefit cap

Another view amongst interviewees who had perceived changing levels of arrears was that claimants in the private rented sector experienced greater housing-related impacts from the cap as rents are higher, so the shortfall experienced after being capped was likely to be larger. One view was that this then meant that:

*'People are stuck. They can't move out of housing they can't afford, because they won't be housed if they become intentionally homeless, so essentially have to wait to be evicted, and then they end up in temporary accommodation.'*

(Advice worker, support organisation)

However, in the survey of capped claimants, higher average rents in the private sector did not translate into higher levels of arrears than those in social housing at wave two, with no significant difference between the sectors.

Opposing views tended to be from some Jobcentre Plus staff, who thought that the individuals they saw were largely coping by budgeting more carefully. These interviewees did not feel claimants had experienced negative financial impacts from the cap, such as arrears and evictions.

*'[After the cap] they make a bigger contribution towards their rent. And I do feel that there's been a kind of acceptance that that is what happens, and they manage accordingly.'*

(Work coach, Jobcentre Plus)

As outlined in Section 5.3.1 the survey findings show that more than a third of capped claimants (35 per cent) were in arrears at wave two, but that there was no statistically significant increase in the level of arrears amongst claimants from the previous wave. However, it should be noted that the surveys and the qualitative data focus on slightly different time periods: the qualitative participants on whether they perceived claimant arrears to have increased before and after the cap was introduced, whereas the survey results compare levels of arrears amongst capped claimants six months and 13 months post-cap.

### 5.3.3 Housing-related support: Qualitative findings

The types of housing support offered by local authorities and support organisations can be grouped into six key types: providing information and advice; working with landlords; housing affordability and homelessness; providing assistance with moving; referring for financial support; and signposting to (other) relevant organisations.

- **Information and advice:** claimants were provided with information about their housing situation, their needs were assessed and they were given housing advice.
- **Working with landlords:** interviewees noted that negotiating a reduction in rent was often not an option due to the high demand in private rented accommodation in their Local Authorities. However, where claimants approached the LA or organisation with a risk of homelessness, interviewees/ colleagues would work with the landlord wherever possible. This included strategies such as introducing

a payment plan, reassuring the landlord that the claimant was being supported; or paying off (some of) the claimant's arrears.

- **Affordability and homelessness:** this involved assessing claimants' housing situation to assess whether rent amounts were affordable. Claimants at risk of homelessness were either referred to the relevant LA team, or helped to make applications to support their move into social housing.
- **Moving to alternative accommodation:** claimants were supported to find alternative accommodation, for example, by moving out of the immediate area or looking for less expensive options, such as a smaller house or social housing. However, moving was not always viewed as a viable option. The shortage of social housing prevented some claimants from exploring this option, and others were already in the cheapest accommodation available.

*'There're no options moving-wise, because there's nothing to be gained by that. They wouldn't be able to change their financial situation at all.'*

(Housing officer, local authority)

- **Financial/budgeting support:** this included assisting claimants to make up the shortfall created by the benefit cap, for example, by helping claimants with household budgeting. Where appropriate, claimants were supported to access a DHP or another financial scheme to help them remain in their current home.
- **Signposting to relevant organisations:** both LA staff and local support organisations referred claimants to organisations that were best able to support them with housing issues.

In some areas housing support services prioritised vulnerable groups, such as those with mental health problems, disabled claimants, those with a large or young family, or elderly people.

### 5.3.4 Key findings and reflections: Housing

A larger proportion of capped claimants were renting from social housing by wave two (56 per cent compared to 51 per cent at wave one). This makes sense as rents are, on average, cheaper in the social sector, so claimants seeking to reduce housing expenditure are likely to seek this option where possible. This is further evidenced by the most frequently cited change to housing being an attempt to move to a property in this sector (54 per cent of those making/attempting a housing change).<sup>44</sup> The proportion in temporary accommodation or becoming homeless remained stable between waves; however, there was significant movement in and out of these groups, suggesting that a minority of capped claimants are facing severe levels of insecurity in their housing situation. This is further evidenced by the levels of rent arrears, with 46 per cent of capped claimants reporting they had been in arrears at some point in the last 13 months which had started *after* being affected by the cap. However, as highlighted in the qualitative interviews, the financial effects of the cap

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<sup>44</sup> Excluding those in temporary accommodation.

## **Evaluation of the lower benefit cap**

on claimants cannot be completely disentangled from the effects of wider welfare reforms which were happening at the same time.

Evidence suggests that a minority of claimants responded to the cap by making changes to housing (29 and 20 per cent at waves one and two, respectively). Given that moving house is a sizable change in an individual's life, and the considerable barriers claimants experience to being able to relocate, it is perhaps unsurprising that many claimants are choosing not to attempt this and are instead focusing on making other adjustments. The decrease in the numbers attempting a housing change between the two survey waves mirrors the trend in the proportion making changes to employment; similar to those making employment changes, the group of claimants who were most motivated and best placed to alter their housing situation will have made these efforts by wave two. Therefore, it is likely that numbers will continue to fall among those who remain affected by the cap for a longer period of time.

For the group who were attempting to make changes to their housing situation, both the survey and qualitative interviews demonstrate that capped claimants face considerable barriers to a successful move. Particularly prevalent barriers were a shortage of suitable, affordable accommodation, and the financial costs of moving. Increasing the level of housing change amongst capped claimants therefore partially hinges on improving the range of options for cheaper alternative housing for claimants, particularly the stock of social housing.

## 6 Discretionary Housing Payments (DHPs)

The Discretionary Housing Payment (DHP) scheme helps vulnerable Housing Benefit claimants (or those in receipt of the housing element of Universal Credit) with housing costs. For example it may benefit those who have difficulty meeting their rental obligations or require help with such things as removal costs or rent deposits. DHPs are delivered by local authorities (LAs) as a mitigation to housing-related welfare reform, including the Removal of the Spare Room Subsidy, the benefit cap, and restrictions on the Local Housing Allowance (LHA). LAs have full discretion as to whether a claimant will receive a monetary award and they set their own list of priorities (although DWP provides guidance<sup>45</sup>). This chapter is concerned with capped claimants' awareness and use of DHPs.

### 6.1 Use of DHPs

Just over a fifth (21 per cent) of capped claimants were in receipt of DHPs at wave two, a significantly higher proportion than at wave one (12 per cent). However, at wave one a further 19 per cent said they had received DHPs at some point after they had been capped, though they were no longer receiving them at the time of the wave one survey.

Claimants were more likely to be receiving DHPs at wave two if they were:

- Receiving Housing Benefit (21 per cent), rather than Universal Credit (12 per cent)
- Capped by a larger amount (31 per cent of those capped more than £100 per week were receiving a DHP, compared to only 9 per cent of those capped £1 to £25, and 11 per cent of those capped £25 to £50).<sup>46</sup>

Overall, around a third of capped claimants (36 per cent) had received a DHP at some point between being capped and the wave two survey, 13 months later.

Only five per cent of capped claimants were in receipt of DHPs at *both* wave one and wave two. Figure 6.1 shows a breakdown of how DHP receipt had changed by wave two, for those in receipt of DHPs at wave one.

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<sup>45</sup> <https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual>

<sup>46</sup> There were no statistically significant differences by region and family type.

Evaluation of the lower benefit cap

Figure 6.1 Changes to DHPs by wave two, for those in receipt at wave one

Base: Those in receipt of DHPs between cap implementation and wave 1 Unweighted N = 248

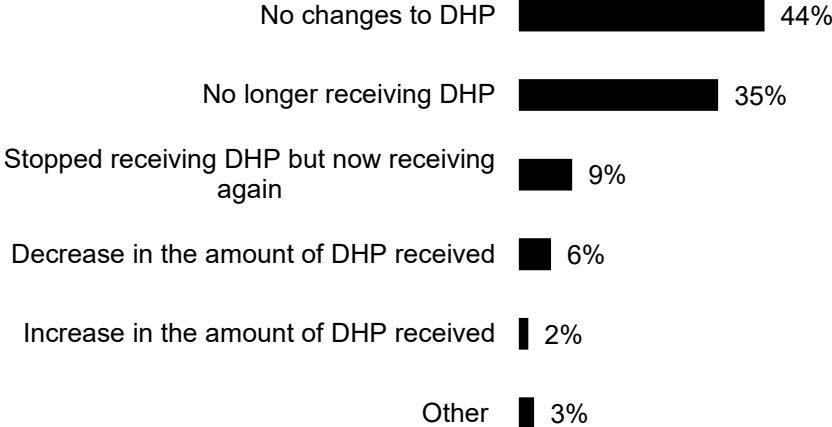


Figure 6.2 shows how DHP receipt had changed by wave two for those *not* in receipt at wave one. Of this group, the vast majority were still not receiving DHPs six months later, with only seven per cent having received them in the six months up to wave two. Nearly a third of this group (32 per cent) said they were unaware of DHPs at both survey waves. Awareness of DHPs appeared to be lower among Universal Credit claimants: a higher proportion of those on Universal Credit were not receiving DHPs at wave one and were still unaware of them by wave two (43 per cent), compared with those claiming Housing Benefit (31 per cent).<sup>47</sup>

<sup>47</sup> Differences by region and family type were not significant.

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### Figure 6.2 Changes to DHP receipt by wave two, for those not in receipt at wave one

Base: Those in receipt of DHPs between cap implementation and wave 1

Unweighted N = 588

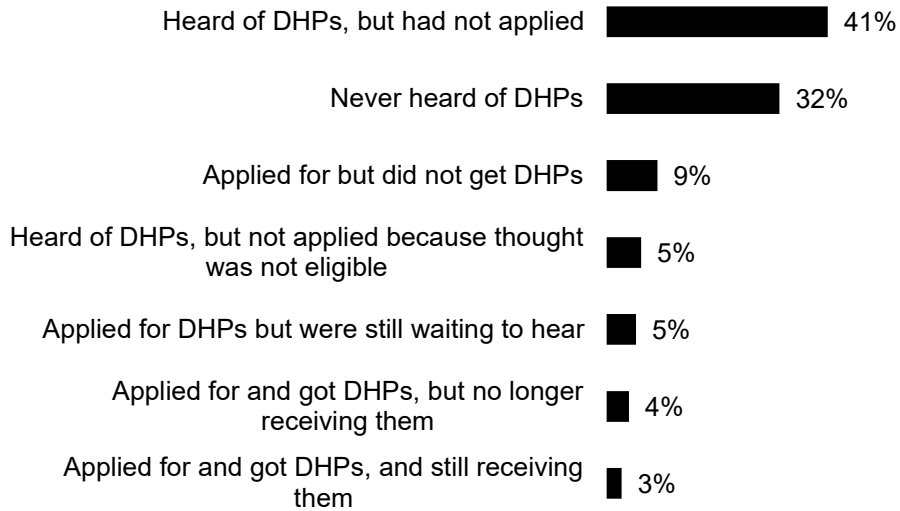
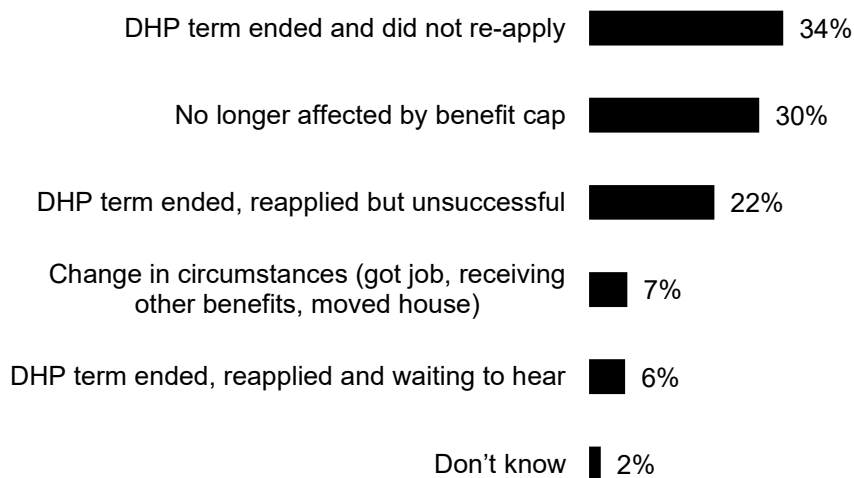


Figure 6.3 shows the reasons for DHPs ending, for those who were in receipt at wave one, but not wave two.

### Figure 6.3 Reasons DHPs ended

Base: Those in receipt of DHPs between cap implementation and wave 1, but no longer receiving by wave 2

Unweighted N = 94



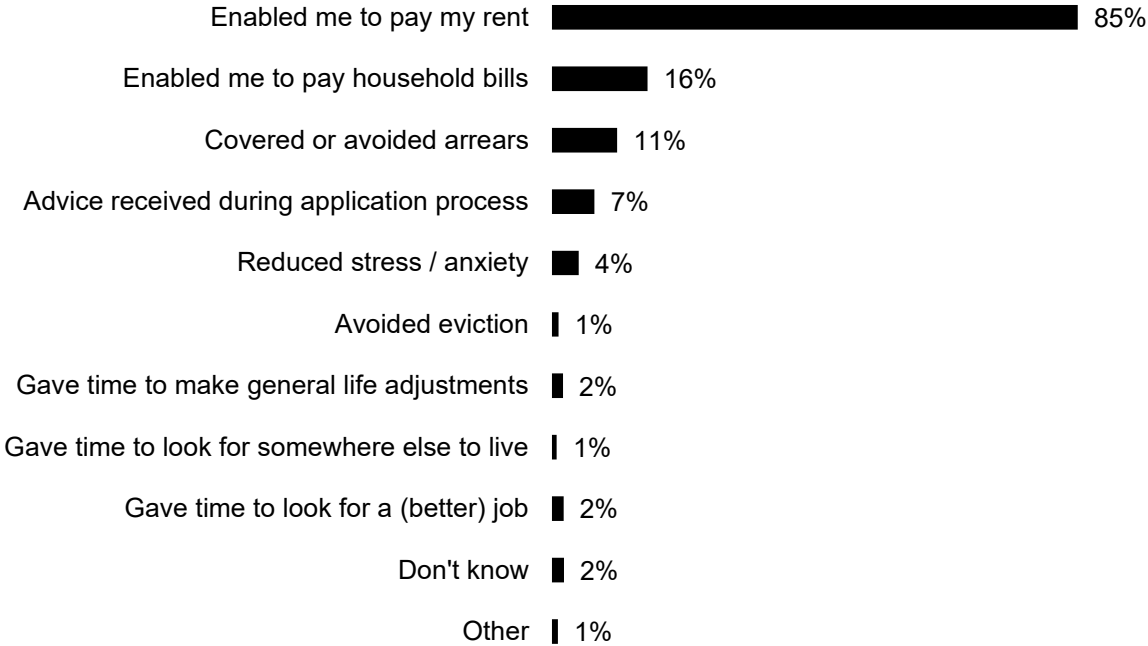
Most claimants who were receiving DHPs at wave two (68 per cent) found them helpful. In line with their main purpose, the most frequent reason given for how DHPs

**Evaluation of the lower benefit cap**

helped was that they enabled the person to pay their rent (this was the case for 85 per cent of claimants who reported that DHPs were helpful). Figure 6.4 shows the full range of ways in which DHPs helped capped claimants.

**Figure 6.4 Reasons DHPs were helpful (multi-code)**

*Base: Those who received DHPs at wave 2, and found them helpful* *Unweighted N = 128*



*Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.*

A much smaller proportion of capped claimants (24 per cent) who received DHPs at wave two found them unhelpful. The most frequent reason given was that the amount of the DHP was insufficient (41 per cent of claimants who reported that DHPs were not helpful cited this as the reason). Figure 6.5 shows the range of reasons claimants found DHPs to be unhelpful.

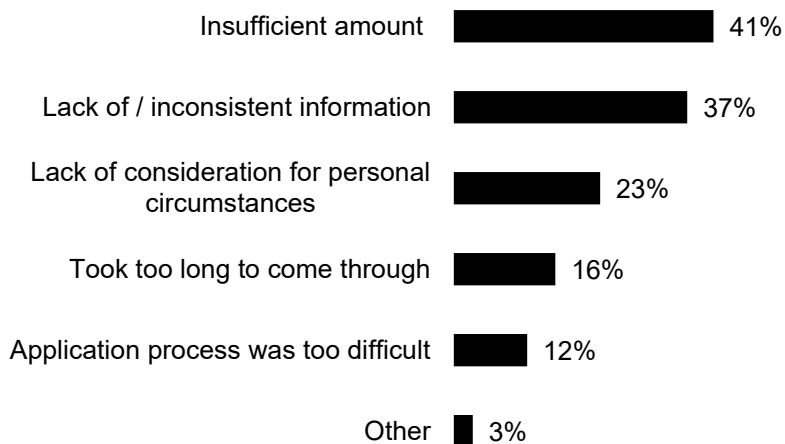


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**Figure 6.5 Reasons DHPs were unhelpful (multi-code)**

Base: Those who received DHPs at wave 2, and found them unhelpful

Unweighted N = 43



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

### 6.1.1 DHP Support: Qualitative findings

#### The purpose of DHPs

DHPs were used by local authorities to support claimants both to mitigate the effect of the benefit cap, and to help claimants find a permanent solution to their housing situations. There were four main types of situation in which DHPs were provided: to pay rent; to cover moving costs; to help with bills; and to provide financial support whilst claimants are working with the LA.

- **Rent:** LAs described using DHPs to help claimants pay rent, either by making up the shortfall in rent caused by the benefit cap; or by paying any outstanding rent caused by the cap. Participants also described using this approach for claimants whose benefits had been affected by other welfare reforms such as the removal of the spare room subsidy.
- **Bills:** DHPs were used where claimants were tied into contracts which they are no longer able to afford, for instance phone or TV contracts.
- **Moving costs:** DHPs were used to cover deposits, rent in advance and other moving costs for those able to move.
- **Financial support whilst working with the LA:** DHPs provide financial support to mitigate the benefit cap while claimants are working with the LA to find a different solution.

*'[a] DHP is there to support [claimants]... whilst they're working with us to come off the benefit cap.'* (Housing officer, local authority)

### Eligibility criteria for receiving a DHP

When considering whether a claimant should receive a DHP, or how much they should receive, local authority staff reported taking the following factors into account:

- **Financial situation:** if a claimant is in financial difficulty such as struggling to pay their rent, the local authority will consider the claimant's income and expenditure and how much of the shortfall caused by the benefit cap they are able to cover financially themselves.
- **Co-operation with the LA:** LAs will support claimants with DHPs if they are working with the LA, with the ultimate aim of no longer being affected by the benefit cap.
- **Whether received a DHP before:** there were reports that if a claimant had received a DHP once they were less likely to receive one again. In some instances, if claimants apply for a second DHP they would have to demonstrate they have made progress to address their financial situation.

Another approach was not to have any specific eligibility requirements, but instead to consider each DHP application on the particular circumstances of that case.

*'It's discretionary, isn't it, so it's based on individual circumstances.'*

(Tenancy management officer, local authority)

### Length of time DHPs were awarded for

DHPs were viewed as a short-term solution. However, a flexible approach was taken to the length of time DHPs could be awarded for. Interviewees reported that DHPs were normally awarded for between three months and one year. However, it was acknowledged that claimants were not always able to resolve their issues in this timeframe, so support may be provided over a longer period if necessary. Some circumstances were acknowledged to require a significantly longer period of support than was normally envisioned when awarding a DHP. These circumstances included having very young children, having a disability or health condition, being out of the labour market for a long period of time and experiencing severe or long-term housing problems.

### Transitioning off DHPs

Local authority interviewees highlighted the following strategies to help claimants transition away from DHPs:

- **Conditionality:** claimants are required to work with the LA in order to receive continued support through DHPs. The rationale for this form of conditionality was to help support claimants and move them towards moving out of scope of the benefit cap. Conditionality was only used by LAs who provided intensive work-related support at the time of the interviews. However some LAs who were not providing intensive support did discuss implementing this form of conditionality in the future. Some participants expressed concerns about the consequences of

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using conditionality in relation to DHPs, in particular, whether this would run counter to the aim of preventing homelessness.

- **Support of LA:** LAs referenced support offered to claimants to help them move out of scope of the benefit cap, and into a position where they no longer needed DHPs. This support included providing debt advice, helping to locate cheaper accommodation and providing access to employment support services.
- **Reduction of amount awarded:** in some instances LAs described a process whereby the amount of support provided through DHPs was reduced after certain time periods to encourage claimants to adjust their budgeting.
- **Limited timeframes:** ensuring that claimants were aware that DHPs were only available for a limited period and of the expectation that the claimants would make arrangements to be able to support themselves when the DHP comes to an end.

In some instances LA staff reported that there were no measures in place to encourage claimants to transition off DHPs.

### Effects of receiving DHPs

Local authority staff described three main effects of providing claimants with DHPs:

- **Preventing homelessness:** awarding DHPs ensures that claimants do not lose their homes. Interviewees believed that a lot of claimants could not afford their rent once they were affected by the benefit cap
- **Relieving stress:** DHPs can stabilise a difficult financial situation for claimants, and give them breathing space so they do not have to focus on keeping their home or putting food on the table
- **Providing time:** DHPs provide claimants with the time necessary to address their issues. It takes time to move into work, or deal successfully with debt.

*'... [DHPs] stabilise the household enough that they can focus on looking for work, and not necessarily worrying all the time about how they're going to eat, or heat their house, or keep their house.'*(Debt advisor, local authority)

However, there was a view in areas where there was limited work-related support provided by the LA that receiving DHPs might delay or prevent claimants from engaging with support services or looking for a job. Interviewees expressed concern that this could cause problems at a later point in time when claimants could no longer access DHPs. This view was connected to a concern that claimants were not being helped to search for work by LA staff.

### Barriers to take up

There were three main barriers thought be preventing claimants accessing DHPs:

- **Technology:** applying for DHPs online could be a problem, as a lot of claimants (particularly single parents) did not have access to the internet at home, and older individuals found online forms hard to use

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- **Lack of awareness:** interviewees noted a lack of awareness about DHPs, and in some cases claimants did not find out about DHPs until they had accessed support services
- **Clash with other council policies:** either the council does not take into account the realities of the situation claimants are in, for instance the DHP does not last for as long as it takes claimants to get access to the council's social housing, or other welfare reforms are using a large proportion of the DHP budget, for instance the Removal of the Spare Room subsidy.

### 6.1.2 Key findings and reflections: DHPs

DHPs are one tool to help claimants impacted by welfare reforms to adapt to reduced financial circumstances, and in the 13 months since being capped over a third (36 per cent) of capped claimants had received a DHP at some point. At wave two, one in five claimants were in receipt of DHPs. However, this was more likely for those in receipt of Housing Benefit than Universal Credit (21 per cent compared with 12 per cent), with awareness of DHPs also appearing to be lower amongst Universal Credit, compared to Housing Benefit, claimants. This may be because those receiving Housing Benefit have more direct contact with local authorities, who are responsible for administering DHPs – suggesting that there may be merit in increasing the level of DHP publicity and work coach signposting within Jobcentre Plus, in order to ensure equal awareness of this support avenue amongst Universal Credit recipients.

## 7 Other impacts

### 7.1 Other impacts

Although the evaluation was concerned primarily with impacts of the benefit cap on employment and housing, claimants were asked one question about the effects the policy had on other elements of their lives at wave one and wave two and a question about the financial impact of the cap just at wave two. The question on ‘other impacts’ was left for respondents to answer with little guidance – interviewers coding responses into the pre-defined answer categories, or using the open ‘other’ response.<sup>48</sup> Where respondents reported that they had reduced their spending, interviewers prompted for specific examples; if the examples given were items such as food and clothing interviewers coded responses as ‘essential’ spending, and if they were examples such as evenings out and cigarettes, they were coded as ‘non-essential’. Responses are displayed in Figure 7.1.

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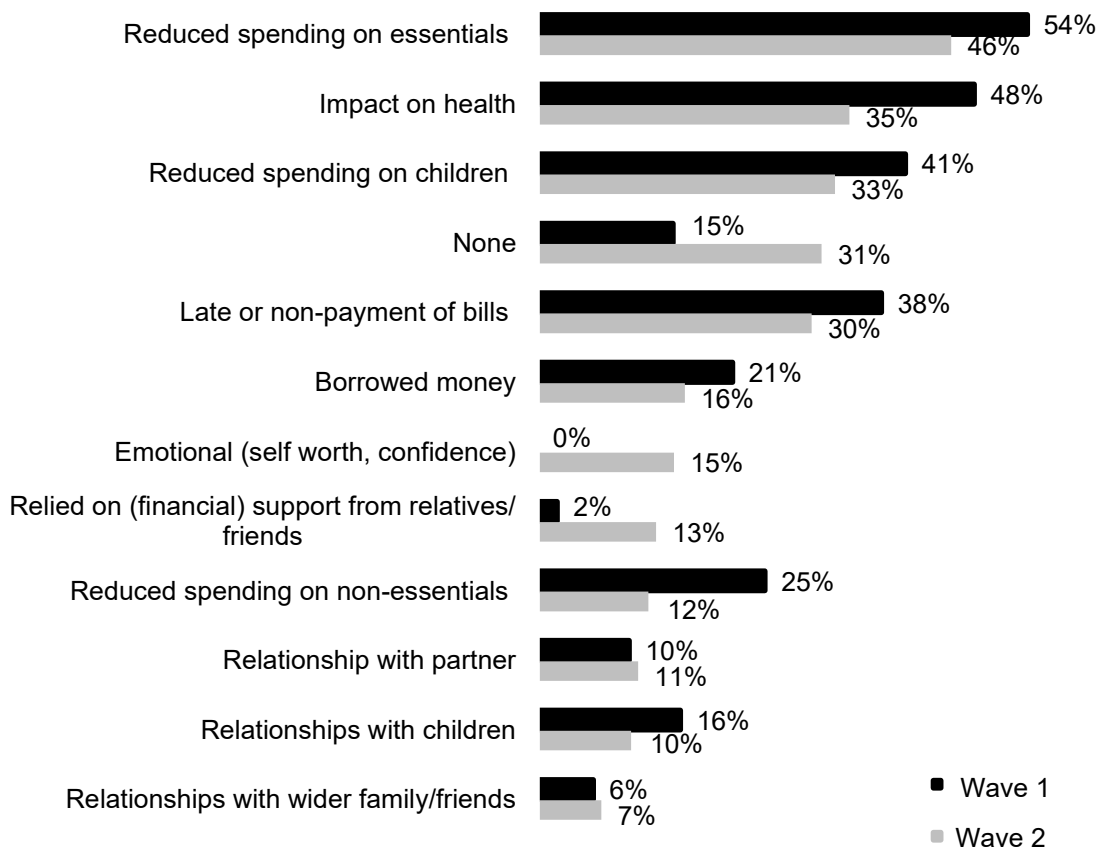
<sup>48</sup> The question asked, ‘Has the most recent benefit cap had an impact on any other areas of your life? That could be impacts on your health, relationships or finances’.

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**Figure 7.1 Other impacts of the benefit cap (multi-code)<sup>49</sup>**

Base: All respondents

Base: Unweighted  
Wave 1 N = 818  
Wave 2 N = 833



Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100.

Similarly to wave one, the top three reported impacts at wave two were reduced spending on essentials (46 per cent), impacts on health (35 per cent) and reduced spending on children (33 per cent). It is important to note that impacts on health were self-reported and that claimants in receipt of benefits due to severe long-term health conditions and disabilities (e.g. those in the Employment and Support Allowance (ESA) support group, or in receipt of Personal Independence Payments) are not subject to the cap.<sup>50</sup> Claimants are able to apply for a change of circumstances if their health changes after being capped or if it changed between waves. Overall, most impacts were lower at wave two than wave one with significantly more respondents at wave two reporting no impacts (beyond employment and housing) than at wave one (31 per cent compared with 15 per cent).

Almost all other impacts<sup>51</sup> were less commonly reported at wave two than wave one, suggesting that the impact of the cap on these areas decreased or had been

<sup>49</sup> Response categories with less than 50 cases at wave two have been excluded from the chart.

<sup>50</sup> See <https://www.gov.uk/benefit-cap/when-youre-not-affected>.

<sup>51</sup> There were no significant changes between wave one and wave two for those reporting an impact on 'Relationship with partner' and 'Relationships with friends/family'.

## Evaluation of the lower benefit cap

managed more effectively over time. However, this was not the case for all impacts, with a significantly higher proportion of respondents at wave two reporting emotional impacts and relying on financial support from friends and family than at wave one.<sup>52</sup>

However, the difference is considerably smaller when claimants who are no longer affected by the cap (i.e. have moved out of scope) are removed from the analysis. This suggests that those claimants still affected by the cap are more likely to report other impacts.

Furthermore, even though many reported impacts decreased over time, it is important to note that these impacts were more prevalent for some claimant groups. Analysis by key characteristics showed that:

- impacts varied by amount capped, with those capped at £100 or more per week more likely to report an impact on health (58 per cent) than those capped at £25 or less per week (29 per cent);
- HB claimants were more likely to report an impact on health (34 per cent) than those claiming Universal Credit (24 per cent);
- UC claimants were more likely to report borrowing money (23 per cent) than those claiming HB (16 per cent).

Despite many reported impacts decreasing over time, Figure 7.2 shows that nearly half of respondents felt that the financial impact of the benefit cap had become worse compared with six months ago:

- Perhaps unsurprisingly, those who were capped by a larger amount were more likely to say their financial situation had worsened, with more than three-quarters of respondents capped by more than £100 (76 per cent) believing they were financially worse off compared with 46 per cent of claimants capped less than £25;
- Reported financial impact also varied by employment status, with respondents who were in work at wave two less likely feel their financial situation had worsened over time (39 per cent) than respondents who were unemployed and looking for work (47 per cent) or economically inactive (54 per cent).

There was no evidence to suggest that those capped by small amounts are more likely to manage by reducing expenditure rather than by moving into work or home.

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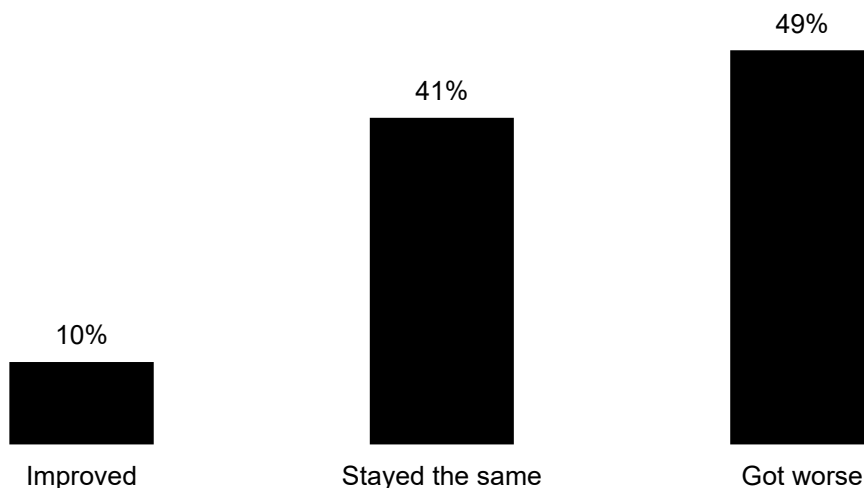
<sup>52</sup> As 'Emotional impacts' and 'Relying on financial support' from family and friends were added to the answer categories at wave two and were not answer categories at wave one but coded from the 'other' response option. This may partly explain the increase in these responses at wave two. However, respondents were given little guidance to answer this question (i.e. they were not told the answer categories) with interviewers coding the responses.

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**Figure 7.2 Financial impact of the benefit cap compared with 6 months previously**

Base: All respondents

Base: Weighted N = 844



### 7.1.1 Perceived impacts in areas other than employment and housing: Qualitative findings

#### Perceived financial impacts

Unsurprisingly, given the nature of the benefit cap, many of the qualitative participants perceived a range of financial impacts on claimants. However, it is important to note that, in describing the financial impacts of the benefit cap on claimants, some interviewees highlighted that the impact of the benefit cap could not be separated out from that of the wider raft of welfare reforms. Some of the perceived financial impacts were more sustainable, such as stricter budgeting and reducing spending on non-essentials (reported by 12 per cent of claimants in the wave two survey), and some local authority and Jobcentre Plus staff reported no further impact on claimants' ability to cope financially.

*'I think obviously there are issues with people coping financially, but I don't think that's been worsened as such by the cap, because there has been extra support if they have been in that position.'*

(Work coach, Jobcentre Plus)

However, a range of interviewees across local authority, Jobcentre Plus and support organisation staff did perceive a suite of more negative financial impacts, including debts and rent arrears, the use of food banks, borrowing from friends and family to make ends meet and reducing spending on essentials such as heating and food. By wave two of the survey, just under half (46 per cent) of claimants reported reduced spending on essentials as a result of the cap.

*'People are being forced into situations where they are having to choose between paying rent, eating, or heating their home.'*

(Financial and benefits adviser, support organisation)



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Reflecting the survey findings, where a third (33 per cent) of claimants at wave two said they had reduced spending on their children, some interviewees described claimants' decreased spending on children as inevitable in straitened financial circumstances, where *"there's a bit of everything going to give"*, meaning that *"people may be unable to afford uniforms, unable to pay for school meals, additional money for bus or trips"* (Lead officer for housing services, local authority).

Groups that were highlighted as being at particular risk of financial hardship were those with particularly intractable barriers to work, such as having very young children, living in a rural area, having a mental and/or physical health condition, or having no recent labour market experience.

### Perceived impacts on mental health

Some interviewees from local authorities and support organisations reported seeing an increase in mental health conditions and anxiety in some claimants following the cap, particularly those with a pre-existing mental health issue. Interviewees who worked in mental health services reported their services struggling to meet the increased demand for mental health support. Qualitative findings are borne out by statistics from the survey (see Figure 6.1) with over a third (35 per cent) of capped claimants reporting that the cap had had an impact on their health, and 15 per cent an impact on their emotional wellbeing.

Interviewees highlighting the impact of the benefit cap on claimants' health and wellbeing generally saw this as a result of the increased pressures on household finances and concerns about rent payments, coupled with an inability (yet pressure) to make sufficient changes to household spending, to change their housing circumstances or to find paid work.

However, not all interviewees believed that the benefit cap was directly responsible for the impact on mental health. Instead, they saw the cap as a contributing factor, which exacerbated existing problems:

*'I don't think the cap has caused the, you know, the mental health side of things but it certainly won't have helped. You know, financial worries obviously make it worse.'*  
(Senior Welfare Reform Officer, local authority)

Consequently they found it difficult to attribute cause and effect to mental health problems in the context of financial difficulties:

*'I don't know how much it's chicken and egg really, which comes first: whether it's the mental health leads them in, into getting into debt, losing work and so on or, or whether, you know, the depression and so on comes as, as debt and financial squeeze increases.'*  
(Centre Manager, Debt Advice support organisation)

Lack of budgeting skills was highlighted as a particular additional factor in the exacerbation of anxiety and mental health issues for some claimants:

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*'I've got people in the situation where they've got less money, but it isn't necessarily going to teach them to budget. If they suffer from dyscalculia, it's going to cause anxieties, and again, it's back to mental health issues.'*

(Manager, support organisation)

Participants described supporting claimants with mental health issues through disability employment advisors, specialist LA teams that work with individuals with additional needs; and confidence building courses.

### **Perceived impacts on family relationships**

As well as the impact on mental health, some interviewees noted an increase in family conflict, and – in some cases - breakdown, as a result of the cap. Some saw this largely as a by-product of the increased stress as a result of the cap.

*'It's not just affecting them financially, ...it's causing ructions within the family – there's a breakdown of the family because they've got all this other pressure to deal with as well.'*

(Casework Manager, support organisation)

Others, however, perceived the financial pressure to be merely the trigger for existing issues to surface or worsen, causing family conflict:

*'Things that had been going ok, you know, managing, then - because of the issues to do with sudden loss of income, or sudden difficulties – it brings other things to the surface.'*

(Social Worker and Mental Health Professional, local authority)

A contrasting view was added by those who had observed that, while for some families the stress had indeed caused tension and problems, for a minority, the financial pressure had resulted in partners becoming closer by being compelled to work through the problems.

*'The financial squeeze...puts an awful lot of pressure on families, you know, on relationships. It does - although occasionally it can bring people together when they start to work together to address a problem.'*

(Centre Manager, support organisation)

There was no strong consensus as to whether the cap had led to an increase in cases of domestic violence. Some interviewees believed that the number of reports/incidence of domestic violence had remained stable since the implementation of the new cap, whilst others highlighted a growth in the number of reported cases.

Similar to the division of views on the impact of the cap on mental health issues, there were interviewees who thought that any increase in domestic violence could not simply be attributed to the cap. For example, one view was that a growing awareness about domestic violence meant that questions were being asked more openly by support workers, and that this increased openness was also playing a role in the perceived increase, alongside the cap.

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Related to the above, interviewees also commented on whether the options and support for domestic violence victims had been affected by the cap. Again, views were mixed. Some thought support options hadn't been restricted since the cap for domestic violence victims – participants who worked in local authorities described a process whereby victims should get priority access to temporary accommodation, following an assessment. Conversely, however, there were participants who described claimants they were advising who were considering a return to their ex-partner due to the increased financial pressure that they were now experiencing.

### Financial and other support

Financial support provided to claimants included support with benefits; debt advice; budgeting and applying for or awarding grants.

- **Information and advice:** participants provided claimants with information about the benefit cap and their financial situation. Some claimants are given a financial assessment and then provided with information on their options or an action plan
- **Benefits and council support:** a key aspect of the support provided to claimants was an assessment of whether they were claiming the benefits they were entitled to. Claimants were also assisted to use a benefit calculator, which would show them how much better off they would be in work or were given assistance to claim other council assistance such as DHPs.
- **Debt advice:** claimants were either provided with debt advice or signposted to organisations with the qualifications to provide this. In some cases, this included assistance with insolvency and debt relief orders.
- **Budgeting:** budgeting support provided to claimants included calculating incomings and outgoings; prioritising claimants' outgoings; attempting to reduce bills; making arrangements with creditors; and considering new ways for claimants to handle money.
- **Funds and grants:** claimants were assisted to find and apply for sources of financial or other assistance. This included food banks, grants for work expenses, grants for housing expenses and grants for bills.

In some situations the nature of financial support provided had not changed, except for the number of claimants the support was provided to. In other instances the support provided under the new lower benefit cap is more holistic and supportive than previously.

### Other support

Support organisations and LAs provide some support which does not fall under the umbrella of employment, housing or financial support, for example, providing emotional and mental wellbeing support to claimants. In some areas this involved organised well-being activities; and/or providing claimants with someone willing to listen to their perspective.

*'We go, 'Actually you're not a number in a system. You're a person with a story and a life.' ...a lot of feedback we get from the clients is actually, it's, it's that time that they*

*get to sit with somebody and just pour their heart out actually has more of an impact.'*  
(Project manager, Support organisation)

These types of support were generally available to anyone accessing a support organisation's services, rather than being targeted at benefit cap claimants.

## 7.2 Multiple impacts

The analysis discussed in this report separates findings into individual areas where the cap may have an impact on household circumstances; in particular, employment, housing and other impacts (e.g. changes to spending behaviour). This section explores how these responses to the cap overlap and offers an indication of combined impact of the lower cap.

**Error! Reference source not found.** shows that at wave two most respondents (62%) reported making changes to neither work nor housing, a small proportion made changes to both (6%). The remaining 32 per cent of respondents made changes in relation to either housing or employment only (11 per cent and 21 per cent respectively). The proportion of respondents making changes in multiple areas (i.e. employment and housing) was higher at wave one than at wave two (11 per cent compared with six per cent). There was also a corresponding difference in the proportion of respondents who had made no changes in relation to either work or housing (53 per cent at wave one compared with 62 per cent at wave two). However, neither of these differences were statistically significant.

**Table 7.1 Changes to employment and/or housing, or neither**

	No changes to work or housing (%)	Changes to housing only (%)	Changes to work only (%)	Changes to work and housing (%)	Total (%)
Wave one	53	16	20	11	100
Wave two	62	11	21	6	100
<i>Unweighted base- wave 1</i>	404	125	151	86	766
<i>Unweighted base- wave 2</i>	519	94	172	54	839

*Base: All respondents*

There was no association between the changes made at wave two and the amount respondents were capped. Furthermore, there were no differences between the type of change made and other characteristics including age, gender, ethnicity, rent amount, family factors and health conditions. This contrasts with the findings at wave one, where those capped by a larger amount were more likely to report changes towards both work and housing (25 per cent of those who made changes to both were capped more than £100 per week, compared to 12 per cent of those making no changes).

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Instead, at wave two, the factor that was associated with making changes to housing, employment, or both was whether the claimant felt the financial impact of the cap had got worse for them, compared to six months ago. Nearly three-quarters (74 per cent) of those who made changes to housing only and 70 per cent of those who made changes to both housing and employment felt that their financial situation had worsened, compared to 40 per cent of those who made no changes (Table 7.2). However, the interplay of factors associated with making changes to housing and employment is complex, as amount capped is one factor associated with the likelihood of claimants feeling that their financial situation has worsened (see Section 7.1).

**Table 7.2 Financial impact of cap over last 6 months by changes to employment and/or housing**

<b>Other impact</b>	<b>No changes to work or housing (%)</b>	<b>Changes to housing only (%)</b>	<b>Changes to work only (%)</b>	<b>Changes to work and housing (%)</b>
Improved	10	5	11	14
Stayed the same	50	21	34	16
Got worse	40	74	55	70
<i>Unweighted base</i>	422	81	154	50

*Base: All respondents*

(Interpretation note: 14% of those who had made changes to both their work and housing circumstances reported that their financial situation had improved over the last 6 months.)

This association of feeling that the financial impact of the cap had worsened in the last six months with making changes to housing and/or employment may explain why it is those who were making housing/employment changes who were also more likely to make additional financial changes (borrowing money, reducing spending on essentials and their children). It may also explain why those who were making these changes were more likely to report that the benefit cap had impacted on their health or their relationship with their children (Table 7.3).

**Table 7.3 Other impacts by changes to employment and/or housing**

Other impact	No changes to work or housing (%)	Changes to housing only (%)	Changes to work only (%)	Changes to work and housing (%)
Impact on health	27	56	39	52
Impact on relationships with children	8	8	13	29
Used savings	0	0	1	0
Borrowed money	11	22	22	34
Reduced spending on essentials	37	64	60	57
Reduced spending on children	27	39	43	48
Non or late payment of bills	24	40	45	25
<i>Unweighted base</i>	<i>527</i>	<i>109</i>	<i>151</i>	<i>52</i>

*Base: All respondents*

(Interpretation note: 64% of those who had made changes to their housing circumstances had also reduced spending on essentials)

## 7.3 Accessing support

The number of respondents accessing help and advice in relation to the benefit cap was in the minority, with the number of people seeking help or advice reducing between wave one and wave two. Significantly more respondents had not sought any help or advice at wave two than at wave one (64 per cent compared to 46 per cent). A further three per cent of respondents had tried, but not been able to access the support they wanted at wave two. The most common source of help and advice at wave two was the local authority or housing association (16 per cent), followed by the Citizens Advice Bureau and Jobcentre Plus (see Figure 7.3).

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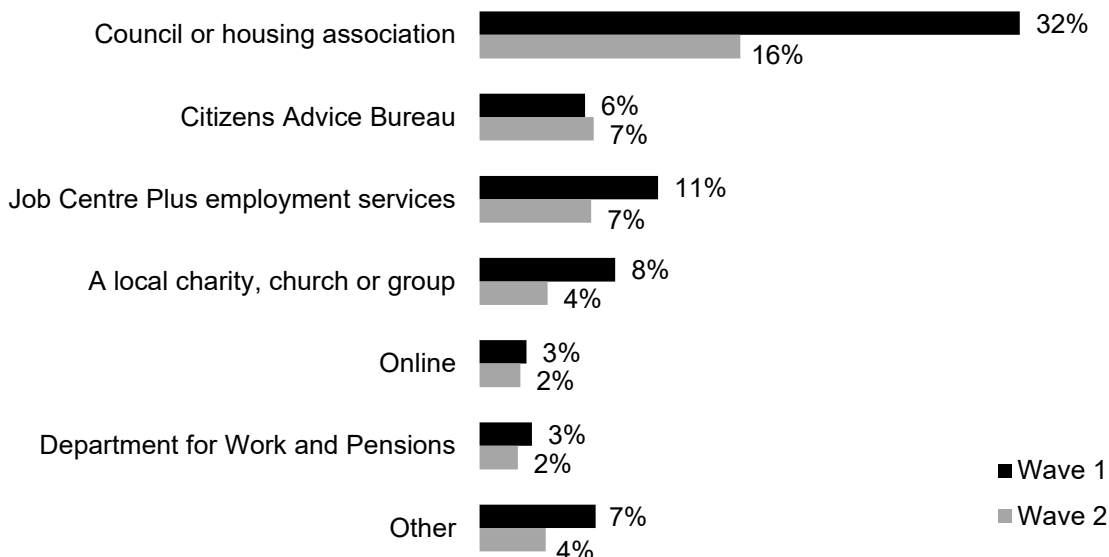
Figure 7.3 Sources of support, help and/or advice regarding the benefit cap<sup>53</sup>

Base: All respondents

Base: Unweighted

Wave 1 N = 840

Wave 2 N = 844



The source of support at wave two was connected to the type of benefit the respondent was claiming, with Housing Benefit claimants more likely than UC claimants to have accessed support from the local authority (16 compared with 4 per cent). In contrast, Universal Credit claimants were more likely to have accessed Jobcentre Plus support than HB claimants (16 compared with 7 percent), and less likely to have accessed any help than HB claimants (64 per cent of UC claimants said they had not accessed any support compared with 63 per cent of Housing Benefit claimants).

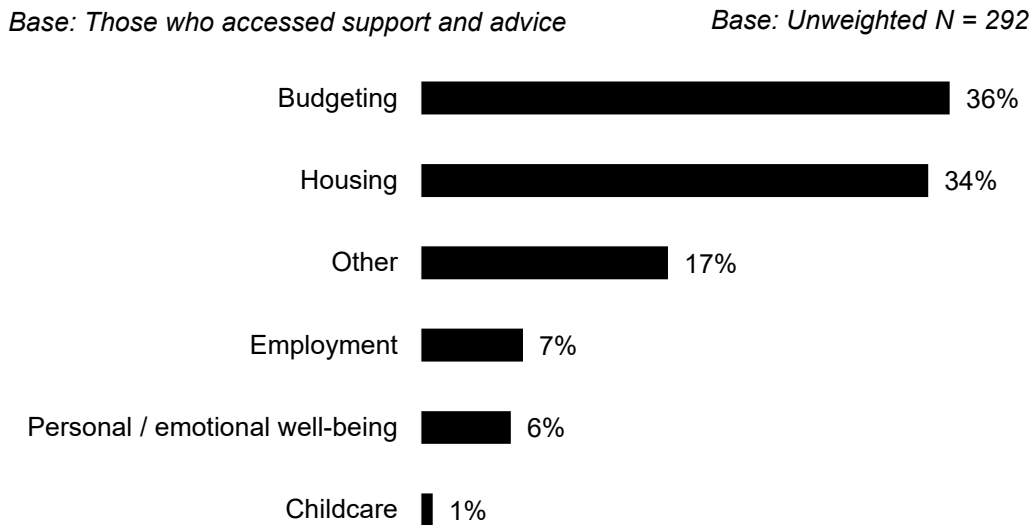
Differences in the source of support likely reflect the ways in which HB and UC are delivered, with Universal Credit claimants being more likely to be in contact with a work coach and Housing Benefit claimants with their local authority in respect to their housing. There was no difference in sources of support accessed in terms of how much respondents were capped.

The main reasons wave two respondents gave for accessing support were budgeting (36 per cent) and housing (34 per cent) (see Figure 7.4). Again this varied by benefit profile, with those claiming Housing Benefit more likely to access support for housing than UC claimants (34 per cent compared with 20 per cent).

<sup>53</sup> Department for Work and Pensions refers to benefit cap hotline as opposed to Jobcentre Plus services

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**Figure 7.4 Main reason for accessing support, help and/or advice regarding the benefit cap**

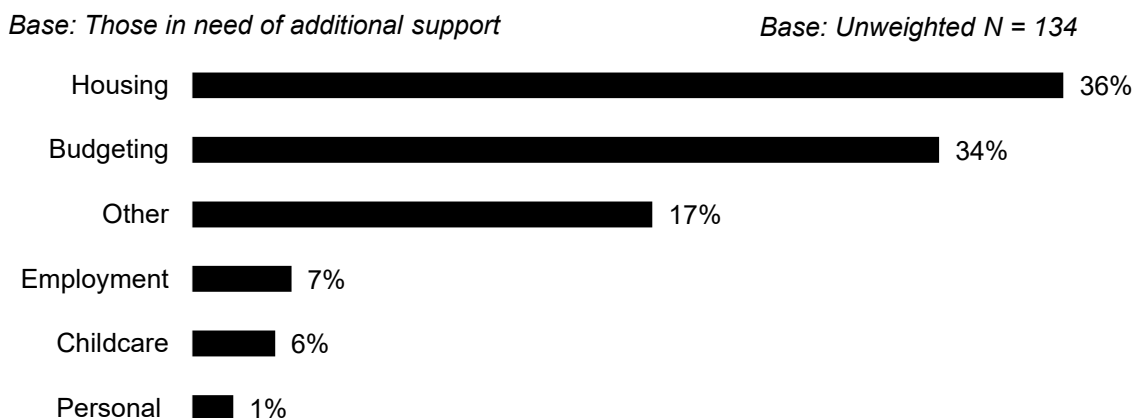


Despite a drop in the proportion of capped claimants accessing support and advice between waves one and two, 17 per cent of respondents reported that they needed additional support to help with the benefit cap and had been unable to access it.

Again, this differed for those claiming different types of benefit, with 26 per cent of UC claimants reporting an unmet support need, compared to 17 per cent of those claiming HB. This reflects the fact that the most commonly reported support need related to housing (36 per cent) (see Figure 7.5).

Furthermore, respondents capped by a larger amount were more likely to report requiring additional help and advice than those capped by less; only ten per cent of respondents capped £1-£25 felt they had not been able to access the support they needed, compared with 41 per cent of respondents capped by more than £100.

**Figure 7.5 Main reason additional support or advice regarding the benefit cap was needed**





### 7.3.1 Changes to demand for and delivery of support since the new cap was introduced: Qualitative findings

#### Level of demand for support

There were different views on whether there had been an increase in the demand for support since the introduction of the new lower benefit cap. These differences did not seem to be related to whether the local area had seen an increase or decrease in the number of claimants affected by the cap.

#### Increase in demand

Those interviewees highlighting an increase in demand described two types of increase:

- **Increase in numbers:** interviewees describe an increase in the numbers of people wanting to get back into employment; in demand for DHPs and for tenancy assistance; and an increase in the demand for financial support.
- **Increase in severity:** interviewees also discussed the increasing severity of cases. They dealt with claimants who have higher levels of debt and arrears, and at significant risk of losing their homes.

Interviewees also noted it may be a combination of welfare reforms that have led to hardship and so higher demand for their services; rather than the lower benefit cap alone. These increases in demand are putting some participants under extra pressure.

*'We're inundated, we are absolutely inundated. Every advice surgery we run, we could book it four times over, five times over; I work with a waiting list. We're never not busy.'*

(Advice worker, support organisation)

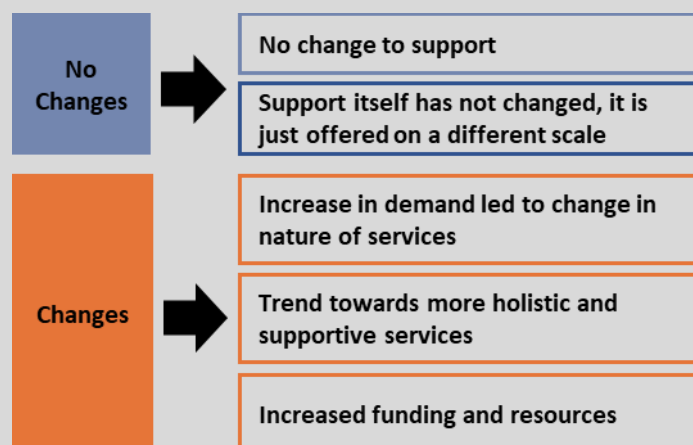
#### Low demand or no change

Where interviewees thought there was low demand for their services, this was either because the demand was not as high as staff had originally expected, or because demand was already high, so they had not seen a shift. Where demand was already high interviewees explained that they work with the most vulnerable people already, or DHPs were already in high demand due to housing problems in the area. As discussed in Section 5.3: Rent arrears, there was also a view that demand for support is low because of the provision of DHPs.

#### Changes to delivery of support

- **DHP policies** were largely unchanged under the new cap. The only change was a reduction in the time DHPs were awarded for. This appeared to only occur in areas that had a significant increase in the number of claimants affected.
- **No changes:** this was particularly the case for housing support

- **Support provided on a different scale:** some participants explained that the support itself had not changed, but since the introduction of the lower benefit cap they provide support on a different scale. Either it has been scaled up to meet the new demand, or reduced funding has caused the support to be scaled down.
- **Increased demand caused change in services:** participants describe changing the services they provide in response to increased demand. For instance, restructuring services; creating new projects; or adding different types of support to the routine help given to those affected by the cap. The tone of the support provided had also changed for some participants, with more holistic and supportive services now being provided.
- Some participants also discussed **increased funding** and resources allowing them to adapt their services and make a difference.



*'This service is very much more holistic [than the service available during the last benefit cap]. It's much more hand-holding and giving them, a great deal of support to do the work... that they need to do really to improve their situation.'*  
(Service delivery manager, support organisation)

### 7.3.2 Key findings and reflections: Other and Multiple Impacts

Claimants have experienced a wide range of impacts as a result of the benefit cap. While some families had managed the drop in their income by reducing spending on essential and non-essential items, large proportions found it necessary to reduce spending on their children, and reported an impact on their health. Most impacts were significantly lower at wave two than at wave one with fewer respondents making changes in multiple areas (i.e. employment and housing). However this difference narrows considerably when considering only those respondents still

## Evaluation of the lower benefit cap

affected by the cap. This suggests that the impacts have reduced for those who have managed to move off the cap but not for those who have not.

At wave two, the financial impact of the cap was reported as having worsened over the previous six months by 49 per cent of respondents. Unsurprisingly the more respondents were capped; the more likely they were to report a worsening in their financial circumstances and an impact on their health. This was reflected in qualitative findings where interviewees highlighted a link between increasing debt levels among claimants who were unable to change their employment and/or housing circumstances. However, it is important to note how difficult interviewees found it to disentangle the impact of the cap from that of wider welfare reforms.

Those capped by a larger amount were more likely to make employment and housing changes initially (in the first six months after being capped), but this was no longer a statistically significant association in the longer term. Instead, by wave two, the key factor that was associated with making changes to housing and/or employment was whether the claimant felt the financial impact of the cap had got worse for them compared to six months ago. However, the interplay of factors associated with making changes to housing and employment is complex – as outlined earlier, amount capped is one factor associated with the likelihood of claimants feeling that their financial situation has worsened.

The amount capped is therefore an influence on whether claimants continue to attempt to make employment and housing changes, but needs to be interpreted in the context of how well the claimant is able to adapt to their new income level. As claimants whose financial situation was worsening longer-term were more likely to be attempting changes to employment and/or housing, but also borrowing money and/or reducing spending on essentials, this indicates that there is a group who are not managing to achieve sufficient adjustments to their levels of income and expenditure, despite attempting to make changes.

Whilst survey findings also demonstrated a drop in the proportion of claimants accessing support and advice about the lower cap between the two survey waves, 17 per cent of respondents felt they had additional advice needs that they had been unable to meet, particularly in relation to housing and budgeting support.

## 8 Key messages

**Whether still affected by the cap:** Relatively few claimants (29 per cent) were no longer capped at the point of the wave two survey, 13 months after implementation of the lower cap. Where they were no longer affected this was most frequently because they had moved into work or started claiming one of the benefits which exempted them.

**Employment:** Findings show that the number of respondents in employment increased significantly between the two survey waves, but the number of claimants making or planning work-related changes had fallen over time.

- Twenty-three per cent reported being in employment at wave two; this included a small number of claimants who had found work in the preceding 13 months and were no longer subject to the cap. The proportion of claimants in employment had increased significantly (from 16 per cent) at wave one.
- Just under a quarter of respondents reported having made a change regarding work (either looking for work or increasing hours/ earnings) at wave two; this showed a significant drop from 33 per cent at wave one.
- Those capped by a larger amount were more likely to make employment changes initially, but this was no longer a significant association in the longer term. (See Multiple Impacts below for related findings.)
- Although a very large minority of claimants (45 per cent) had future plans to search for work or change their current employment, this was also significantly smaller than at wave one (51 per cent).
- Patterns in employment-related behaviours over time – an increase in employment, coupled with a drop in active behavioural change regarding work, may indicate that claimants who are closer to the labour market (i.e. more work-ready) have already made the changes necessary to move into work.
- Claimants who reported more significant barriers to employment, such as a long-term health condition, or caring responsibilities, may be less able, and therefore less likely, to see work as a viable option. These claimants face difficult decisions about how to manage the reduction in their household income (see Section 4.5.4)

**Housing:** Only small numbers of capped claimants had moved house (four per cent in the six months to wave two, and nine per cent to wave one<sup>54</sup>) and moves that had taken place were generally over short distances.

- The small number of claimants in temporary accommodation or becoming homeless remained stable between waves; however, there was significant

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<sup>54</sup> This difference was not statistically significant. Base excludes those in temporary accommodation.

## Evaluation of the lower benefit cap

movement in and out of these groups, suggesting housing instability for some claimants.

- This is further evidenced by the proportion of claimants who reported being in rent arrears at some point between being capped and wave two (46 per cent).<sup>55</sup>
- The decrease in the numbers attempting a housing change between the two survey waves (20 per cent at wave two, compared to 29 per cent at wave one) mirrors the trend in the proportion making changes to employment.
- Similar to those making employment changes, it is likely that the group of claimants who were most motivated and best placed to alter their housing situation will have done so by wave two.
- When there was a desire to move to another property, capped claimants faced considerable barriers (primarily a lack of affordable properties) to a successful move.

**Other impacts:** Claimants reported experiencing wide ranging impacts as a result of the benefit cap, for example, reduced spending on essential and non-essential items and impacts on health and wellbeing.

- However, it is important to note that the proportion of respondents highlighting different impacts had fallen between the two survey waves.
- This difference runs counter to the large proportion of claimants who reported a worsening in the financial impact of the cap between the wave one and wave two surveys.
- The qualitative strand of the research highlighted a similar range of financial and other impacts experienced by capped claimants, though there were mixed views on how directly related these were to the lower cap.

**Multiple impacts:** With regard to how responses to the cap can overlap, at wave two:

- Six per cent of claimants made (or tried to make) changes to both their employment and housing situation as a result of the lower cap.
- In contrast, 62 per cent of respondents had not made changes to either.
- The remaining 32 per cent reported changes to either their employment or housing situation.

The proportion of claimants reporting multiple changes fell between the two survey waves, however this difference was not statistically significant.

Those capped by a larger amount (more than £100 per week) were more likely to make employment and housing changes initially, but this was no longer a significant association in the longer term. Instead, 13 months after being capped, the key factor that was associated with making changes to housing and/or employment was

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<sup>55</sup> It is important to note that the cap is not the *only* reason that an individual will move into arrears – for example, a small proportion of claimants (four per cent) had been in arrears over this period which pre-dated the cap implementation.

## Evaluation of the lower benefit cap

whether the claimant felt the financial impact of the cap had got worse compared to six months ago.

**Type of benefit:** There were significant differences in the impact of the cap on housing and employment changes by the type of benefit received (HB or UC) at wave two which were not in evidence at wave one

- UC claimants were more likely to be employed and to have made changes in relation to work than respondents claiming Housing Benefit.
- In contrast, those claiming HB were more likely to have made or tried to make a change to their housing situation in response to the cap than UC claimants.

In addition to differences in terms of these key impacts, UC claimants were:

- More likely to report higher earnings; although this is connected to the fact that UC claimants were clustered in London, where earnings are higher than in other parts of Britain;
- Less likely to be in receipt of DHPs, or to be aware of them;
- More likely to have borrowed money, but less likely to report impacts on health as a result of the benefit cap;
- Less likely to have accessed any support in relation to the benefit cap, and more likely to say they had an unmet support need than HB claimants. However, UC claimants appeared to be making greater use of existing links with Jobcentre Plus than HB claimants.

**Geography:** Analysis showed few significant differences in outcomes or changes in behaviour by region, suggesting that claimants living in in Britain were largely affected by the cap in the same way. However, survey findings did show that claimants living in London were more likely to report:

- Either increasing their working hours or moving to temporary accommodation/becoming homeless as reasons for no longer being affected by the benefit cap;
- Planning to make employment changes in the next six months;
- Having made or attempted to make a change to their housing circumstances.

# Annex A: Qualitative Interview Topic Guides

This Annex contains the topic guides used during the qualitative interviews carried out as part of this research. There are two topic guides included in this Annex; one is tailored to interviews with LA staff. The other is tailored to interviews with staff from support organisations.

Local authorities topic guide

## **Lower, Tiered Benefit Cap Qualitative Research LA Topic Guide**

**This strand of the evaluation aims to gather detailed qualitative evidence on the implementation of the Lower, Tiered Benefit Cap and its impact on Local Authority (LA) services. Interviews will:**

- Explore LAs' preparation for and delivery of the latest benefit cap
- Understand the impact of the recent cap on LA resources and services
- Explore the perceived impact of the new, tiered benefit cap on claimants' attitudes and behaviours to work and housing choices
- Capture broader impacts of the cap for Authorities and other local agencies

**Overview of topics to be covered in interviews:**

- Contextual information about participants, LAs and how the area has been affected by the latest benefit cap
- Preparation ahead of the latest cap
- Range and types of support delivered to affected households
- Perceived impacts in claimants
- Concluding thoughts

*This topic guide is for LA staff, but as the roles and responsibilities of different LA staff will vary in relation to the implementation of the cap, some sections may be more or less relevant than others. As such, the guide will be used flexibly with different individuals.*

# 1. Introduction

- Introduction to researcher and NatCen – independent social research organisation, commissioned by DWP to carry out this study
- Explanation of research
- As you know, from November 2016 a new lower tiered benefit cap for working-age claimants was introduced (note: although the cap was introduced in November 2016, LAs may have been providing support from May 2016, when claimants were first informed of the changes.) This research forms part of the evaluation of the new cap and aims to capture more detailed information on:
  - The way in which LAs have been operationalising the policy (preparation and delivery)
  - The types of support delivered to capped households, including Discretionary Housing Payments (DHPs)
  - The impact of the cap on LA resources and services
  - The perceived impacts of the cap on households
- We are interviewing a range of LA staff across six LAs as part of this study
- Participation is voluntary – there are no right or wrong answers and you can choose to have a break at any time or not to discuss any issue
- What you say is confidential in line with the Data Protection Act 1998.
- We will be writing a report of our findings but individual names will not be included and the findings will, as far as possible, be written up in a way that protects the anonymity of participants. However while DWP does not know which individuals are participating, they are aware of which LAs have been approached. As such, individuals may be identifiable by DWP. We will therefore confirm that you consent to your views being included at the end of the interview.
- We will be recording the interview so we have an accurate record of what is said
  - Recorder is encrypted and files stored securely in line with Data Protection Act 1998
  - Only the research team will have access to the recordings
- The interview will last 45-60 minutes
- Questions
- Permission to start recording

# 2. Contextual information

## Participant background

- Role and responsibilities within LA
- Role and responsibilities in relation to the lower tiered Benefit Cap
  - Nature of any changes in role since the start of the roll-out of the cap
- Nature of any involvement in the previous cap
- Understanding of the aims and objectives of the new cap

## Description of the LA

- Strength of local labour market
- Nature of the housing market (housing affordability, tenure mix)



### 3. Preparing for the new cap

*Note to researchers: emphasise changes that have been made from the original cap to the new lowered cap throughout and what LAs, particularly those in UC areas would do to improve the process*

- Nature of preparatory work done (*ask openly before using following prompts*)
  - Estimating number of capped claimants
  - Identifying households who would be affected by the cap
  - Communicating with claimants to be affected and support offered at this stage
  - Re-organisation of LA structures and resourcing
- Experiences of preparing for the new cap
  - What they would have done differently – suggestions for improvement
  - Barriers
  - Enablers
- When preparatory work started
- Which LA departments / roles involved
- Involvement of external agencies, how and which ones
- Nature of any information and support received from DWP at this stage

### 4. Operation of the policy

*Note to researchers: emphasise changes that have been made from the original cap to the new lowered cap throughout*

#### Overall process for supporting capped claimants

- Description of the process for reducing entitlement for HB claimant households affected by the cap
- Comparison to previous cap

*Explain that we're going to talk about their strategy for work-related support, housing support and financial support*

## Evaluation of the lower benefit cap

### For each of the sections below, ask:

- Whether and how support varies for different claimant groups e.g. lone parents, long-term unemployed, groups losing the most through the cap, groups in and out of work, UC/HB, parents with children under 12 months old
- Whether and how support is prioritised for different claimant groups (as above)
- Extent to which support differs between HB and UC claimant groups
- Nature of any new groups needing targeted support under the new cap
- Who support is delivered by (i.e. in house / external / both)
  - How type of support is decided
  - Referral process to local agencies
  - Level of expertise to help those affected by the new cap
- Whether provision differs to the previous cap, if so how
- Demand and uptake of support amongst claimants affected by the new cap
  - Whether engagement varies amongst different claimant groups
  - Barriers/enablers to different groups taking up support offer
- Monitoring: nature of any systems in place to record and monitor
  - Support services accessed
- Effectiveness of services

- Nature of **work-related support** being offered to capped claimants
  - Seeking work
  - Sustaining work
  - Progressing in work (skills, hours and earnings progression)
- Nature of **housing support** being offered to capped claimants
  - Moving
  - Finding temporary accommodation
  - DHPs
  - Any specific support to victims of domestic violence
- Nature of **financial support** being offered, *ask openly before using following prompts*
  - Benefits
  - Budgeting support
  - DHPs
    - Use of DHPs in supporting newly capped claimants e.g. meet rent shortfalls, provide a deposit
    - Intended use of DHPs, whether and how this differs from the above
    - Awareness of DWP guidance, does their LA follow it, if not why not, how could the guidance be improved
    - How much of DHP budget set aside / expected to be used
    - How LA promotes DHPs

## Evaluation of the lower benefit cap

- DHP demand and take up from capped claimants
  - Whether demand has changed with the new cap
  - Profile of DHP applicants
- Eligibility criteria set by LA for DHPs for newly capped claimants
- Length of time DHPs awarded for
  - Nature of any variation in duration, for what reasons / circumstances
- What DHPs allow claimants to do, which they do not otherwise do
- Nature of any support in place for transition away from DHPs
- Effects of receiving DHPs on claimants
  - Impact on financial management
  - Work incentives
- Any changes in the above with the new tiered cap compared to the original cap
- Any other support offered (not covered already)
  - Working with landlords
  - Working with neighbouring LAs (e.g. if placing claimants out of their own area)

## Experiences of operating the new cap

- Experiences of delivery since the cap took effect in November 2016
  - Barriers
  - Enablers
  - Overall readiness
  - What they would have done differently
- Impact of transitioning from the original benefit cap to the new tiered cap on, *probe for both positive and negative impacts*

### For each of the points below, ask:

- Whether impacts are in line with expectations
- If not, nature of impact and consequences

- Resourcing
- Delivery structures
- Costs
- Housing allocation rules
- Demand on social housing
- Use of temporary accommodation
- Use of homelessness services
- Overall sense of capacity to support affected households
- (If relevant) Whether they have faced any additional challenges from the roll-out of Universal Credit in their area, and how that interacts with the Benefit Cap.

## 5. Perceived impact of the lower tiered Benefit Cap

*Note to researchers: emphasise impacts stemming from the new lowered cap throughout*

### General impact of the cap

*Explain – we want to understand how well the Cap is meeting its policy objectives*

- Claimant response to cap, *probe on positive and negative responses*
- Movement off the cap
  - Numbers
  - Groups
  - Reasons why capped claimants have moved off the cap
- Reasons claimants have stayed on the cap

### Perceived impact on work-related behaviour

- Nature of any changes to claimants' attitudes and behaviours in relation to work as a result of the new cap
  - Work-related activity
  - Attitude towards employment
  - Barriers/enablers to making work-related changes
    - Whether changes due to the prospect of capping or the actual cap
- Interaction of cap with other employment policies e.g. UC
- Unexpected consequences for claimants who moved into work
- Any difference in employment impacts for particular groups of claimants

### Perceived impact on housing behaviour

- Nature of any changes to claimants' housing behaviour due to the cap
  - Moving to smaller properties
  - Moving to different housing sectors (e.g. social or supported from private)
  - Moving to more affordable areas
  - Seeking rent reductions
  - Paying the shortfall
- Enablers/barriers to moving
  - Particular barriers for different groups, for example victims of domestic violence
- If moved
  - Distance moved and whether in or out of LA
  - Whether children have changed school
  - Rent sector moved to (social, private, supported)
  - Enablers/barriers to moving
  - Housing supply in different rent sectors
- If sought rent reduction, enablers/barriers to making rent reductions
- Whether housing-related impacts differ for any particular groups of claimants
- Interaction of the benefit cap with other housing policies in terms
- Unexpected consequences for claimants as a consequence of in relation to housing

### Other impacts

- Other impacts on claimants observed by LAs
  - Finances
  - Health and wellbeing
  - Family relationships, and impacts on children
  - Claimants who have experienced domestic violence or are living in a refuge – is the cap preventing them moving on

## Evaluation of the lower benefit cap

- Variation for any particular groups
- Any other impacts expected in the longer term as a result of the latest cap
- Existence of a system at LA level to record and monitor behaviour changes and impact on claimants

## 6. Concluding thoughts

- Key changes made in the LA since the previous cap
- Most successful elements of support provided to claimants
- Key barriers to supporting capped claimants
- How well the cap is meeting its policy aims

*If nothing to add, thank and close. Remind participants about the limits of anonymity and ask if participants wish to withdraw anything said from reporting.*

Support organisations topic guide

# Lower, Tiered Benefit Cap Qualitative Research Agencies Topic Guide

**This strand of the evaluation aims to gather detailed qualitative evidence on the implementation of the Lower, Tiered Benefit Cap and its impact on support and advice agencies. Interviews will:**

- Explore local support and advice agencies' preparation for and delivery of support to claimants affected by the latest benefit cap.
- Understand the impact of the recent cap on local agencies' resources and service.
- Explore the perceived impact of the new, tiered benefit cap on claimants' attitudes and behaviours to work and housing choices.
- Capture broader impacts of the cap for local agencies

**Overview of topics to be covered in interviews:**

- Contextual information about participants, their organisation and how the area has been affected by the latest benefit cap.
- Preparation ahead of the latest cap.
- Range and types of support delivered to affected households.
- Perceived impacts in claimants.
- Concluding thoughts.

*This topic guide is for support and advice agency staff, but as the remit and responsibilities of different organisations and staff members will vary, some sections may be more or less relevant than others. As such, the guide will be used flexibly with different individuals.*

## 7. Introduction

- Introduction to researcher and NatCen – independent social research organisation, commissioned by DWP to carry out this study
- Explanation of research
- As you know, from November 2016 a new lower tiered benefit cap for working-age claimants was introduced (note: although the cap was introduced in November 2016, LAs may have been providing support from May 2016, when claimants were first informed of the changes). This research forms part of the evaluation of the **new** cap and aims to capture more detailed information on:
  - The preparation in your organisation ahead of the benefit change
  - The impact of the cap on local agencies' resources and services
  - The range of support delivered to capped households
  - The impacts of the cap on households

## Evaluation of the lower benefit cap

- Please focus on the new cap in this interview.
- We are interviewing staff from a range of local advice and support organisations across six Local Authority areas as part of this research.
- Participation is voluntary – there are no right or wrong answers and you can choose to have a break at any time or not to discuss any issue.
- What you say is confidential in line with the Data Protection Act 1998.
- We will be writing a report of our findings but individual names will not be included and the findings will, as far as possible, be written up in a way that protects the anonymity of participants. However while DWP do not know which organisations are participating, they are aware of which LAs have been approached. As such, individuals may be identifiable by DWP. We will therefore confirm that you consent to your views being included at the end of the interview.
- We will be recording the interview so we have an accurate record of what is said
  - Recorder is encrypted and files stored securely in line with Data Protection Act 1998
  - Only the research team will have access to the recordings
- The interview will last 45-60 minutes
- Questions
- Permission to start recording

## 8. Contextual information

### Participant & organisation background

- Role and responsibilities within the organisation
- Role and responsibilities in relation to the new cap, and how this has changed over time
- Role of the organisation in relation to claimants affected by the new cap
  - Any specific groups worked with (e.g. lone parents)
  - Estimate of how many capped claimants worked with since introduction of new cap
    - Whether this has changed over time, since it was introduced
- If relevant: how organisation works with LA to support capped claimants i.e. formal support contract; ad hoc referrals etc.
- If organisation works with claimants from more than one LA
  - How policies vary (e.g. DHPs)
  - Differences in relationship between the organisation and the LAs
- Description of how the organisation works with other local agencies to support capped claimants
- Nature of any involvement with previous cap
- Understanding of the aims and objectives of the new cap

### Description of the local area

*Keep brief*

- Strength of local labour market
- Nature of the housing market (housing affordability, tenure mix)

## 9. Preparing for the new cap

## Evaluation of the lower benefit cap

*Note to researchers: emphasise changes that have been made from the original cap to the new lowered cap throughout*

- Nature of preparatory work completed ahead of new cap (*ask openly before using following prompts*)
  - Nature of work done
    - Estimating number of capped claimants
    - Identifying households who would be affected by the cap
    - Communicating with claimants to be affected and support offered at this stage
    - Training and resourcing
- Experiences of preparing for the new cap
  - What they would have done differently – suggestions for improvement
  - Barriers
  - Enablers
- When preparatory work started
- Which roles involved
- Involvement / partnership working with external organisations (including LA), how and which ones
- Nature of any information and support received from LA and / or DWP at this stage
  - Sufficiency of support received
  - What worked well/less well

## 10. Support provided to capped claimants

*Note to researchers: emphasise changes that have been made from the original cap to the new lowered cap throughout*

### Overall process for supporting capped claimants

- What sorts of issues people present with that are related to the cap
- Description of services provided to capped households
- Comparison to previous cap

*Explain that we're going to talk about their strategy for work-related support, housing support and financial support*



## Evaluation of the lower benefit cap

### For each of the sections below, ask:

- Whether and how support strategies vary for different claimant groups e.g. lone parents, long-term unemployed, groups losing the most through the cap, groups in and out of work, UC/HB, parents with children under 12 months old
- Whether and how support is prioritised for different claimant groups (as above)
- Extent to which support differs between HB and UC claimant groups
- Nature of any new groups needing targeted support under the new cap
- Who support is delivered by (i.e. in house / external / both)
  - How type of support is decided
  - Referral process from LA and to other local agencies, if relevant
  - Level of expertise to help those affected by the new cap
- Whether provision differs to the previous cap, if so how
- Demand and uptake of support amongst claimants affected by the new cap
  - Whether engagement varies amongst different claimant groups
  - Barriers/enablers to different groups taking up support offer
- Monitoring: nature of any systems in place to record and monitor
  - Support services accessed and effectiveness of services

- Nature of **work-related support** being offered to capped claimants
  - Seeking work
  - Sustaining work
  - Progressing in work (skills, hours and earnings progression)
- Nature of **housing support** being offered to capped claimants
  - Moving
  - Finding temporary accommodation
  - DHPs
  - Any specific support for victims of domestic violence
- Nature of **financial support** being offered, *ask openly before using following prompts*
  - Benefits
  - Budgeting support
  - DHPs
    - Awareness of DHPs and who is likely to be helped by DHP
    - Whether any service users are being helped by DHPs
    - Whether there are other groups who could benefit from DHPs
    - Involvement in helping people apply or reapply for DHPs
- Any other support offered (not covered already)

## Experiences of supporting claimants under the new cap

- Experiences of delivering support to affected claimants since the new cap was introduced (November 2016)
  - Barriers
  - Enablers

## Evaluation of the lower benefit cap

- Overall readiness
- What they would have done differently
- Impact of offering support to claimants affected by the new cap on the organisation, *probe for both positive and negative impacts*

### For each of the points below, ask:

- Whether impacts are in line with expectations
- If not, nature of impact and consequences

- Resourcing
- Delivery structures
- Costs
- Experiences of working with the LA / other organisations to support claimants
- Overall sense of capacity to support affected households

## 11. Perceived impact of the lower tiered Benefit Cap

*Note to researchers: emphasise impacts stemming from the new lowered cap throughout*

### General impact of the cap

- Claimant response to cap, *probe on positive and negative responses*
- Movement off the cap since it took effect
  - Reasons why capped claimants have moved off the cap
- Reasons claimants have stayed on the cap

### Perceived impact on work-related behaviour

- Nature of any changes to claimants' attitudes and behaviours in relation to work as a result of the new cap
  - Work-related activity
  - Attitude towards employment
  - Barriers/enablers to making work-related changes
    - Whether changes due to the prospect of capping or the actual cap
- Interaction of cap with other employment policies e.g. UC
- Unexpected consequences for claimants who moved into work
- Any difference in employment impacts for particular groups of claimants

### Perceived impact on housing behaviour

- Nature of any changes to claimants' housing behaviour due to the cap
  - Moving to smaller properties
  - Moving to different housing sectors (e.g. social or supported from private)
  - Moving to more affordable areas
  - Seeking rent reductions
  - Paying the shortfall
- Enablers/barriers to moving
  - Particular barriers for different groups, for example victims of domestic violence
- If moved
  - Distance moved and whether in or out of LA

## Evaluation of the lower benefit cap

- Whether children have changed school
- Rent sector moved to (social, private, supported)
- Housing supply in different rent sectors
- If sought rent reduction, enablers/barriers to making rent reductions
- Whether housing-related impacts differ for any particular groups of claimants
- Interaction of the benefit cap with other housing policies in terms
- Unexpected consequences for claimants as a consequence of in relation to housing

## Other impacts

- Other impacts on claimants observed:
  - Finances
  - Health and wellbeing
  - Family relationships, and impacts on children
  - Claimants who have experienced domestic violence or are living in a refuge – is the cap preventing them moving on
- Variation for any particular groups
- Any other impacts expected in the longer term as a result of the latest cap

## 12. Concluding thoughts

- Key ways the new cap has affected the agency (e.g. resourcing, services offered, service user profile and demand)
- Most successful elements of support provided to claimants
- Key barriers to supporting capped claimants
- How well the cap is meeting its policy aims

*If nothing to add, thank and close. Remind participants about the limits of anonymity and ask if participants wish to withdraw anything said from reporting.*