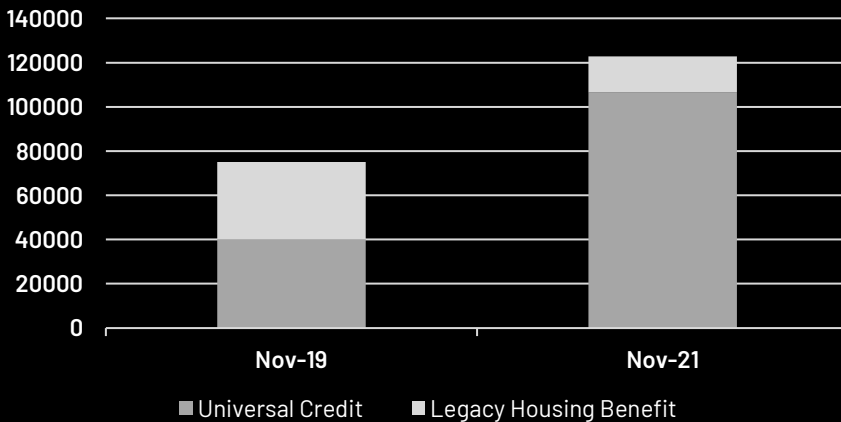


Households benefit capped 64% higher than before pandemic

Numbers dropped in Autumn 2021 as £20 cut from Universal Credit – but 123,000 households still hit the cap

1 Benefit cap frozen since 2016 while costs rise

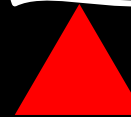
123,000 households were affected by the benefit cap in November 2021, 48,000 (64%) more than in the same month in 2019. The cap applies when a household's income is below £617 a month. There was a 27% drop in numbers capped from September to October. However, this was mainly due to the £20 cut from Universal Credit, so numbers dropped because households received less from benefits rather than earning more from wages. With the cost of living rising many will face impossible choices over whether to spend their limited income on food, bills or rent.



Total households benefit capped, November 2021

What is the benefit cap?

- Limits a household's benefits to £20,000 a year/ £23,000 in London
- Limits for single adults living alone are lower: £13,400/ £15,410 in London
- Cap fixed since 2016

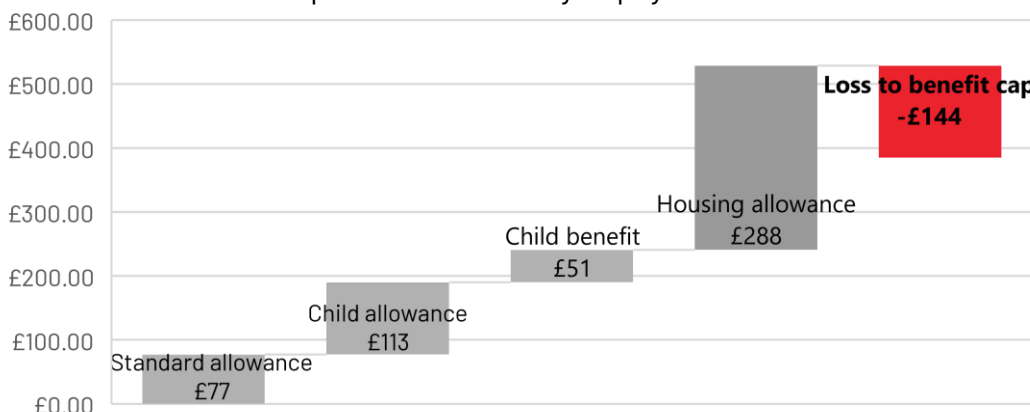


64%

more households with capped benefits than November 2019

2 Families with children hit the hardest

105,000 (85%) capped households are families with children, who are considerably worse off. The cap takes no account of factors like size of a family, or the size of the home they need to live in. On average, families with children lose out on £54.00 a week. In areas with high private rents where families receive more housing allowance, the benefit cap has a severe impact on their ability to pay their rent.



Weekly Universal Credit entitlement for a single parent with 3 children living in a privately rented 3 bedroom home in the Chilterns

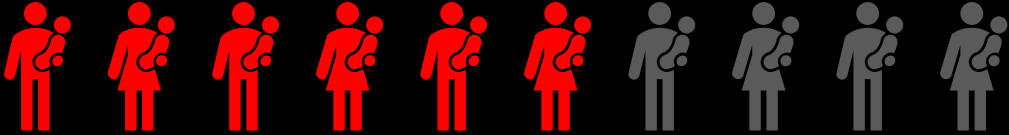


Average weekly loss under benefit cap for families with children

3

Single parents struggle to escape cap

85% of those whose benefits are capped are **families with children**. **65% (80,000 households) are lone parents**. Lone parents find it harder to escape the cap due to the difficulty of working more hours while caring for their family alone. While the overall number of capped households reduced in the last quarter, lone parents claiming Universal Credit were much less likely to escape the cap because they managed to increase their earnings compared with couples with children.



6 in 10 are lone parents

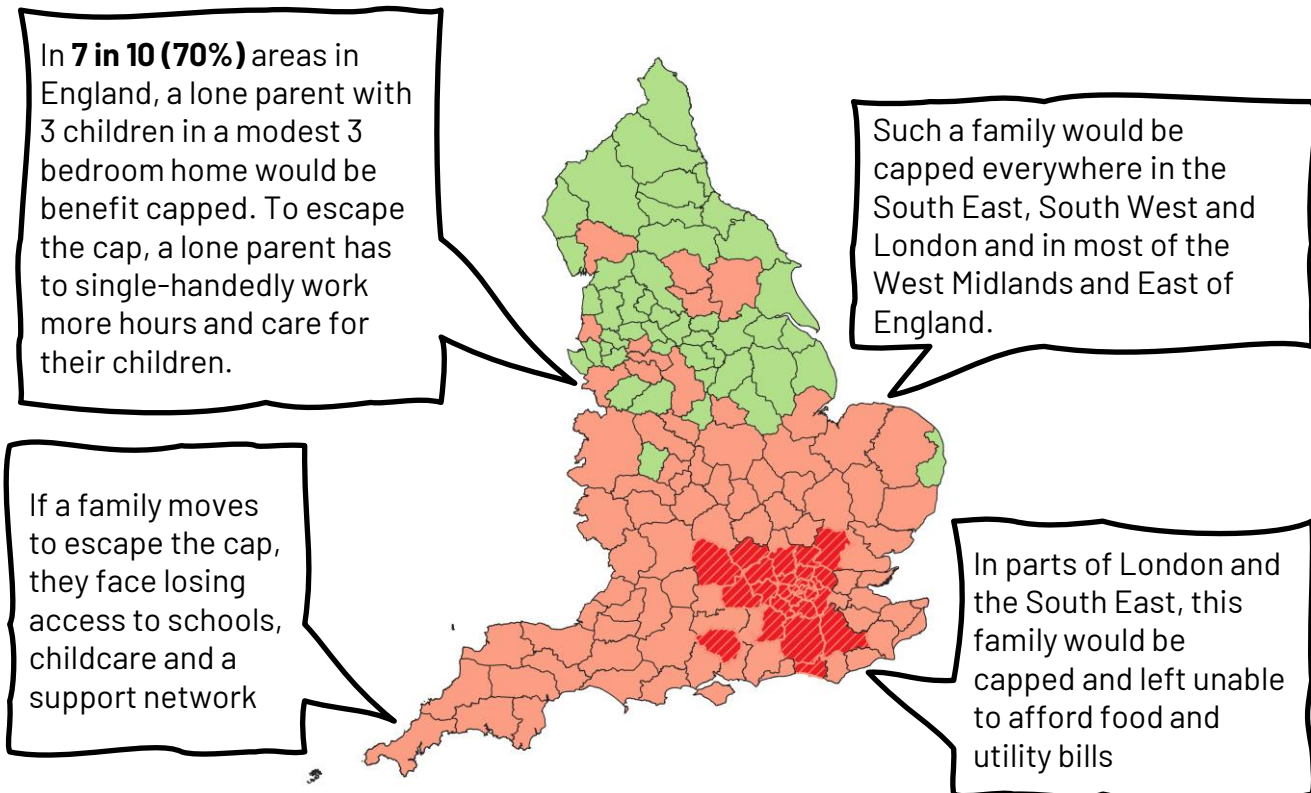
Single people living alone also face challenges escaping the cap, especially where rents for one bedroom homes are high. In London, single households make up 33% of those capped compared to 14% nationally. The cap makes it difficult for former rough sleepers to afford a home of their own.

4

Budgets squeezed by cap across England

Lone parent with 3 children renting a modest home

- Benefit capped
- ▨ Benefit capped and unable to afford basket of goods



5

Scrap the benefit cap

The cap is arbitrary and unfair and it **must be scrapped**. It forces families to make impossible choices between keeping up with the rent and paying for food and other essentials.

Sources

Numbers of households claiming Universal Credit or Housing Benefit who have their benefits capped taken from DWP, [Benefit cap: number of households capped to November 2021](#) and DWP, Statxplore, accessed 22nd March 2022.

Calculation of benefits entitlement for a single parent with 3 children living in the Chilterns broad rental market area have been made using DWP, [Proposed benefit and pension rates 2022 to 2023](#), 11th January 2022. Local Housing Allowance rates are taken from Valuation Office Agency, [LHA Rates Tables 2022-23](#), January 2022.

In September and October 2021, 4% (1,501) of single parent households and 13% (2,183) of couples with children who left the cap did so because their household earnings were above the earnings threshold. DWP, Statxplore, Benefit capped households claiming Universal Credit, accessed 22nd March 2022.

The map of where a lone parent family with 3 children would be benefit capped refers to a single parent with children aged 0-1, 2-4 and of primary school age claiming Universal Credit including housing element and child benefit renting a three bedroom home at the 30th percentile of local rents in their area. 30th percentile rents are taken from Valuation Office Agency, [LHA Rates Tables 2022-23](#), January 2022. The cost of food and utilities bills has been taken from budgets calculated for the Minimum Income Standard 2021. These include the cost of food, energy and water bills considered to provide for a minimum standard of living according to the MIS for families of different sizes in the UK. These calculations have been made using the Minimum Income Standards calculator which allows adjustment by age of children and place of residence. An online version of the calculator is available at [Minimum Income Calculator](#). The full report including methodology for the 2021 calculations can be found at Joseph Rowntree Foundation, [A Minimum Income Standard for the United Kingdom in 2021](#), 14th July 2021 Base map of broad rental market areas in England is from Valuation Office Agency, [Broad Rental Market Area boundary layer for Geographical Information System \(GIS\)](#), June 2020.