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ABOUT US

We are a registered Scottish charity providing free and independent advice to people affected by housing, debt and benefit issues in Edinburgh and Midlothian.

Our Family Support & Advice Service provides advice, information and representation to families - and aims to maximise income, help with budgeting, and address any money and housing issues.

The project is funded by the City of Edinburgh Council and is delivered by CHAI in conjunction with NHS Lothian.



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Family Support & Advice Service Newsletter



Issue # 2

January 2018

Happy New Year! We wish you the very best for 2018!

Finances can be difficult at this time of the year. Why not get a benefit check, help with budgeting or assistance with benefits, housing or money issues? Ask your school reception for an appointment with us for free and impartial advice. In the meantime, here is a topical issue worth knowing about.

The Benefit Cap

The benefit cap came into force in April 2013 but the cap levels were lowered in November 2016 which led to an increasing number of people being affected by it. Read on to find out who is affected and how to avoid it.



- A disability benefit such as DLA or PIP, or the Support Component of ESA or Universal Credit.
- Carer's Allowance.
- Guardian's Allowance.
- An Armed Forces payment.

Families with 3 children and more tend to be the **most affected** by the benefit cap.

WHO IS AFFECTED?

The benefit cap only affects people aged between 16 to 64 who are claiming Housing Benefit or Universal Credit, if the total amount of benefits they receive is over a certain threshold. If the cap affects them, their Housing Benefit or Universal Credit is reduced to make sure the total they get is not more than the cap amount, which is:

- **£384.62** a week for a couple with or without dependent children.
- **£384.62** a week for a lone parent with dependent children.
- **£257.69** a week for a single person without children.

EXEMPTIONS

There are ways to avoid the benefit cap. **Going back to work, or increasing your working hours** may give you an exemption to the benefit cap, because people who receive **Working Tax Credits** are not affected by the benefit cap. For lone parents, working as little as 16 hours a week would be sufficient to get Working Tax Credits.

For those who get **Universal Credit**, there is no benefit cap if your **net household's earnings are over £520 a month**.

You will also be exempt from the benefit cap if you, your partner or child receive any of the following benefits:

OTHER SOLUTIONS

For many people, going back to work, or increasing working hours, will be the best solution to the problem of the benefit cap. However, there are other short-term solutions that you may consider such as:

- **Applying for discretionary housing payment (DHP)** from the Council, to help you pay your rent shortfall. DHP will cover 100% of the shortfall for 3 months. This is then reduced to 75% and gradually to zero overtime.
- **Moving house** to find cheaper rent in a different tenancy.
- **Maximising your income**.

Ask us for advice! Book an appointment to see us at your local school.

CASE STUDY: How CHAI helped Claire with the Benefit Cap

THE PROBLEM

Claire is 40-year-old mother of 4 children aged 4, 8, 12 and 14. She lives in a 3-bedroom private let costing £675 per month. Claire suffers from poor health and is currently unfit for work and claiming Employment and Support Allowance as well as Child Benefit, Child Tax Credits and the Local Housing Allowance.

Claire is affected by the Benefit Cap as she receives over £364.62 per week on benefits. As a result, she only receives £25 towards her housing costs. Claire is financially unable to pay her remaining rent shortfall and relies heavily on her ex-partner for financial support.

Her ex-partner is now unable to support her, and Claire is now at risk of homelessness. Claire has come to the CHAI Advice service at her local school for housing options and income maximisation. Claire’s mental health is deteriorating as she is fearful her family may become homeless.

“CHAI assisted this parent to maintain their current tenancy and maximise their overall annual income by £17,553.”

WHAT CHAI DID

1. CHAI assisted Claire by **running a Benefit Check** to ensure Claire was in receipt of all benefits she was entitled to and confirmed she was affected by the Benefit Cap.

2. CHAI helped Claire **apply for a Discretionary Housing Payment (DHP)** through the Council to help cover her rent shortfall for a short period of time. The application was successful, and Claire’s **rent shortfall was paid for 3 months**. This stabilised Claire’s housing situation for a few months and ensured she did not accrue rent arrears.

3. CHAI further **advised** Claire that claiming certain benefits such as **Personal Independence Payment (PIP)** makes you exempt from the Benefit Cap and that it would greatly maximise her income. Due to Claire’s poor physical and mental health conditions that challenge her daily, she decided to apply for PIP.



4. CHAI helped her **complete the PIP application form, contacted her health workers for further medical evidence** and was successful with the claim. Claire now receives £119.80 per week from PIP and is therefore **exempt from the Benefit Cap**. She now receives full Local Housing Allowance to cover her full rent charge of £675.

As Claire is a single adult and receives the Daily Living Component of PIP, CHAI was also able to **apply for a Severe Disability Premium for her ESA** for an additional £62.00 per week.

Overall, CHAI assisted this parent to maintain their current tenancy and **maximise their annual income by £17,553**.

BENEFIT CAP—IN FIGURES

HOW MANY HOUSEHOLDS ARE AFFECTED BY THE BENEFIT CAP?

- **68,000** in the UK
- **3,810** in Scotland
- **653** in Glasgow
- **605** in Edinburgh

HOW MANY CHILDREN HAVE THE CAPPED HOUSEHOLDS?

- **93%** have at least a child
- **41%** have 3 children
- **15%** have 2 children
- **10%** have 5+ children

Source: www.gov.uk, August 2017

