



Why scrapping the household benefit cap is vital for families, children and survivors of abuse

September 2024

Summary

- 123,000 households are affected by the household benefit cap. The vast majority – 71 per cent – are lone parents with children.
- The benefit cap limits the total amount a part-time, low-earning or out-of-work household can receive in benefits, trapping families in deep poverty.
- It is having a disproportionate impact on survivors of domestic abuse and on children.
- The benefit cap makes it almost impossible to afford private rents. Recent research found that there were only enough affordable homes across the country to house one in six capped families.
- Increasingly even social rents (typically 30 per cent of market rents) are becoming unaffordable. In 78 local authority areas in England, average council and/or housing association rents are unaffordable for capped families.
- The benefit cap is therefore contributing to homelessness, as families are trapped in refuges and other forms of temporary accommodation and are unable to move on to secure and affordable homes.
- The cap is not effective and it is harming those who are already vulnerable. We are calling for the cap to be scrapped.

What is the household benefit cap?

123,000 households are impacted by the benefit cap across England, Wales and Scotland,¹ although the Scottish government mitigates the cap as far as possible with its devolved powers. The vast majority of those capped – 71 per cent – are lone parents with children.

The cap affects households who receive universal credit (UC) or housing benefit and earn less than the equivalent of 16 hours at the national living wage a week – currently £793 a month. It limits the total benefits the household can receive to £1,835 a month outside London or £2,110 inside London, with lower limits for single adults.

Families affected by the cap are often left with very little headroom between their total rent and the capped level of their benefits, forcing them to make extreme budgeting choices just to keep a roof over their heads. CPAG analysis found that, last year, a single parent with three children living in some parts of London and affected by the cap was required to live on just £44 a week after paying their housing costs.²

The cap applies regardless of the size of home a family needs or the age of the youngest child. This means that even parents who would not ordinarily be expected to be in paid work, because they have young children at home who need to be cared for, are capped.

The household benefit cap is separate from other caps in the social security system, including the two-child limit to UC, which limits the financial support families with three or more children can receive. However, the two interact because if the two-child limit were lifted so that families could receive the UC child element for third and subsequent children, some of the poorest households would see little or no financial gain as they simply hit the household benefit cap instead.

Why was the cap introduced?

When the cap was introduced in 2013, the then government justified the financial shock to families by saying that it would achieve three aims:

- Encouraging more people into work;
- Restoring 'fairness' to the benefits system by ensuring non-working families do not receive more in benefits than a working family earns from work; and
- Making financial savings.³

However, the cap has not been effective on any of these counts. Firstly, it has had very little impact in terms of moving people into work.⁴ Secondly, it is unclear if it saves the government money, as it causes downstream costs in the form of homelessness and temporary accommodation, discretionary housing payments and other support for struggling families.⁵ Thirdly, it is fundamentally unfair. Research into capped households found that many families face twin barriers of health conditions and caring responsibilities which make paid employment very difficult.⁶ This means it is often impossible for them to avoid the cap.

How is the level of the cap set?

When the cap was originally introduced in 2013, it was described as being in line with median household earnings for working households.⁷ In fact, the calculation used did not take into account additional benefits for working households.⁸ The level of the cap was cut in 2016 and, other than a single uprating in line with annual inflation in 2023, it has been frozen since and remains *lower* than the original cap amount.

If the benefit cap had been increased with inflation from its implementation, the cap in 2023/24 would have been £2,950 a month. Compared to current rates, that is £820 a month higher in London and £1,080 a month higher outside of London.⁹

Over time, the benefit cap is preventing inflationary uplifts to UC going to the poorest families as more and more households hit an arbitrary cap on their essential financial support. This has the effect of pushing families further and further below the poverty line, as the gap between their needs and their benefit entitlement grows over time.

How does the cap drive homelessness?

The benefit cap drives homelessness by making family homes unaffordable, particularly for larger families in London and the South East. Recent research has confirmed that affordable privately rented housing for families affected by the benefit cap is practically non-existent. Even if families were prepared to move right across the country, away from schools and existing social networks, there were only enough suitable private rented properties available in the country in 2022 to house one in six of the capped families analysed.¹⁰

Housing is generally deemed to be unaffordable if it exceeds 30 per cent of household income.

The benefit cap undermines councils' legal duties to provide homelessness assistance. This was clearly shown in evidence from London boroughs in 2023.¹¹ One borough reported that families affected by the cap who asked the council for assistance with housing would be placed in temporary accommodation (TA), as it is impossible for the council to find an affordable private rented home for them to move into. The council also reported that those households struggle to move out of TA once they are in it for the same reason.¹² This is because the benefit cap means that families fail the affordability checks that many social housing providers and private landlords require, rendering them effectively stuck in TA.¹³

Expensive TA is costing councils in England £2.3bn a year, with private providers making millions despite being unregistered and unregulated.¹⁴

Life in TA is very unstable, harmful to health and incredibly disruptive for families. Sixty-six per cent of people living in TA report that it is negatively impacting their physical or mental health and 47 per cent of children in households in TA have had to move school as a result.¹⁵ There are now a record number of families trapped in TA in England,¹⁶ and with rates of homelessness escalating the government urgently needs to staunch the flow of households into TA.

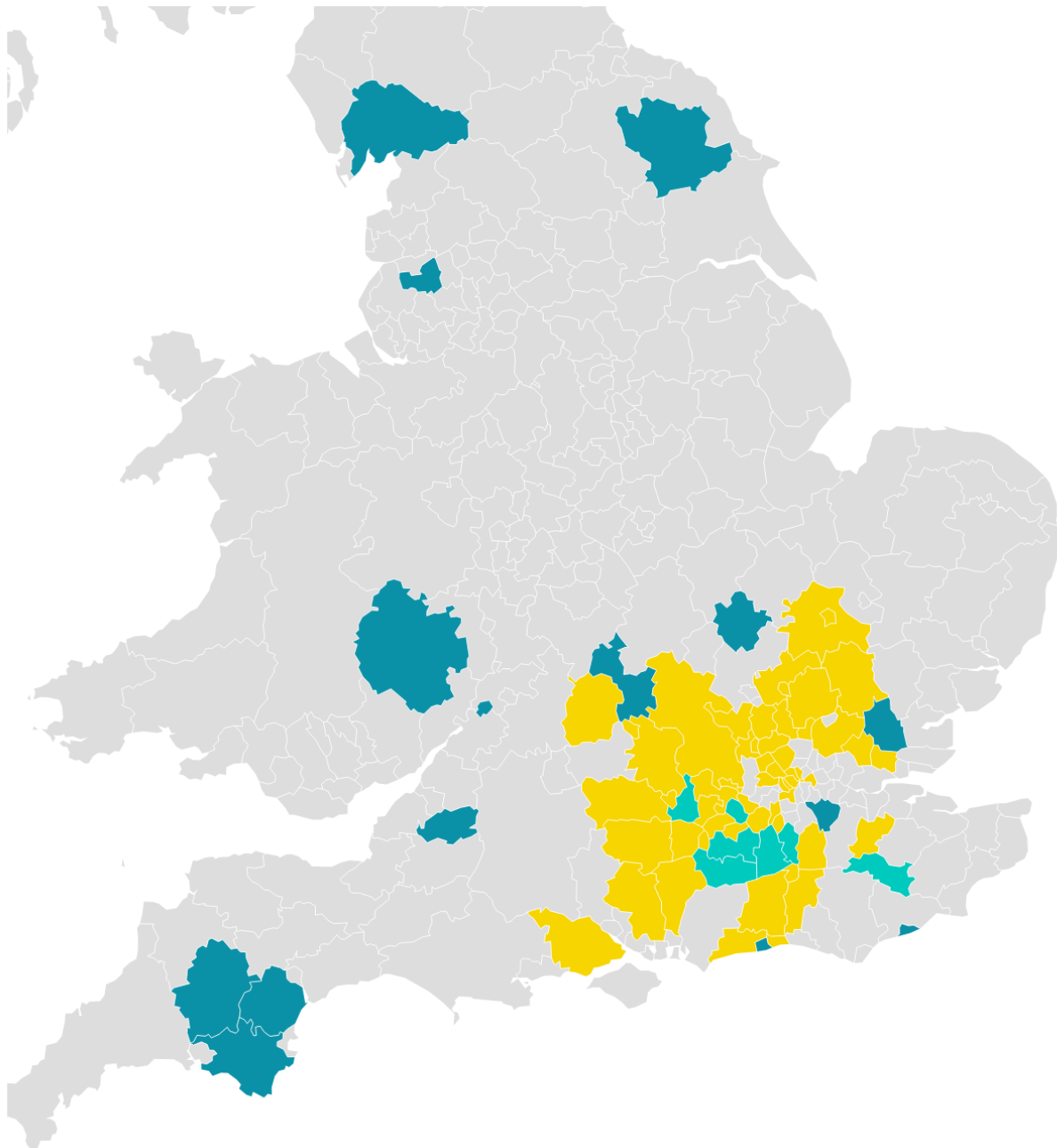
Previously, the benefit cap has primarily been an issue for people living in or needing to move into private rented homes. But now the extremely low level of the cap means that it has come to affect even those living in social housing.¹⁷ Already in 2022/23, there were 78 local authority areas in England where average housing association and/or council rents exceeded affordable levels (meaning 30 per cent of income) for families affected by the benefit cap, meaning that those families would be likely to fail to pass social housing provider affordability checks and so would not be able to access a social home.¹⁸

Social rent is typically a third of the cost of market rents.

Areas where council and housing association rents exceed affordable level for benefit capped families

Based on average rents and applicable benefit cap levels for 2022-23 (the most recent year for which data is available)

■ Housing association rents
 ■ Local authority rents
 ■ Local authority and housing association rents



Rents are defined as unaffordable where they exceed 30% of the benefit cap for a household with children. HA data covers social rent only and LA data covers social and affordable rents.

Map: Shelter • Source: MHCLG • Map data: © Crown copyright and database right 2021 • Created with Datawrapper

As the cap stays frozen but social rents rise, over time even the most affordable type of housing will become inaccessible for families stuck homeless in TA. This has serious implications for the government's stated aim to invest in building social rent homes, because the funding model for social housing relies on housing benefit being adequate to cover rent for the seven in 10 social tenants who need it.¹⁹ This will also limit the impact of new social housing in tackling record levels of homelessness, as it will prove impossible to move families from TA into new social homes if the benefit cap remains in place.²⁰

Specific impacts on survivors of domestic abuse

Housing is central to many survivors' experiences of domestic abuse. This is because survivors often live with their perpetrators and have to flee to access safety. They often struggle to afford a new home on a single income, meaning they have to approach their local authority for homelessness assistance.

Sara is living in a refuge after leaving an abusive relationship. She is being encouraged by her local authority to look for a new home to move into. However, Sara relies on UC and the benefit cap means she is unable to afford a private rented tenancy in her area. She is therefore stuck in refuge accommodation, which reduces the refuge's capacity to take in other survivors who need their help.*

Case from Child Poverty Action Group's Early Warning System. Sara is not her real name.

Homelessness due to domestic abuse is a growing problem: in a single year, there was a 24 per cent increase in the number of homeless households living in TA due to domestic abuse.²¹ The majority of adults affected are women: 76 per cent of households becoming homeless due to domestic abuse in 2022/23 were headed by a woman. Forty per cent were lone mothers and 36 per cent were lone women without children.²²

The benefit cap likely has a disproportionate impact on survivors of domestic abuse, due to its gendered impacts. The majority of survivors of domestic abuse are women²³ and the majority (90 per cent) of lone parent households are headed by women.²⁴ Lone parent households make up 71 per cent of those subject to the cap.²⁵

In addition, survivors are less likely to be able to work to escape the cap. This is for a number of reasons:

- Survivors may have to give up their job when they flee abuse (it may be too far away or unsafe for them to go to their workplace).
- Perpetrators may have prevented survivors from working as a form of economic abuse or may have sabotaged their current job.
- The impact of years of psychological and physical harm can create severe barriers to work.²⁶
- Where they are lone parents, it is challenging to juggle work and childcare responsibilities alongside the intensive administration and appointments needed to rebuild their lives.

Survivors can be deterred from leaving an abuser if they know they will be subject to the benefit cap and likely homelessness.²⁷ As a result, they and their children will experience more physical, emotional, sexual and economic harm for longer. Survivors who do flee can be forced into poverty or debt by the cap and feel they have no choice but to return to the perpetrator in order to provide for their children.

The benefit cap has a particular impact at key transition points. Many survivors cannot move out of TA or refuge (where the benefit cap does not apply) because they cannot afford private rents, and even some social rents as described above. In August 2024, Women's Aid surveyed their member services on this issue. Out of 27 responding organisations running refuges, a third reported that the majority of survivors they supported were delayed or prevented from moving on from refuge as a result of being subject to the benefit cap.

Not only does this mean survivors are unable to move on and rebuild their lives, but also that fewer spaces in refuges are available for other survivors. In 2022/23, 61 per cent of referrals into a refuge were rejected, most commonly due to lack of space.²⁸ For some women, a refuge space can mean the difference between life and death.

Specific impacts on children and families

Families affected by the benefit cap are likely to be living in deep poverty. This means that their income is less than 50 per cent of the median household income (relative poverty is measured as less than 60 per cent of the median).

Living in deep poverty is particularly bad for children. Research conducted with families affected by the benefit cap found that it is causing very real and significant harms to children. These harms are material, as families struggle to provide the basics for their children, such as food, clothing and heating. These harms are also social, emotional and relational. Children are often excluded from social activities because of the costs associated (e.g. going on school trips, going out socially with friends). They experience shame and embarrassment because of the poverty their family is experiencing, and family relationships suffer because of the acute financial strain.²⁹

These experiences of poverty will be compounded by experiences of homelessness. As the case study below illustrates, living in TA is extremely disruptive to children's lives, affecting their schooling, their health, their friendships and their family life.

One adviser had been supporting 12 families living in Travelodges across West London for "many months" because their local council could not find them a more suitable form of TA. The families often had to move to another Travelodge every few weeks when other bookings were made. The upheaval disrupted the children's schooling, worsened their mental health and the lack of cooking facilities impacted their diets.

One single-parent family in particular was in an impossible situation. They were placed in a Travelodge in Brentford (Hounslow). The mum had to drop her children off in Ealing each morning before going to work even further away in Harrow, and then do the same in reverse at the end of the school day. Their situation meant that the children were often late for school and the mother's already poor mental health deteriorated further.

Case from Child Poverty Action Group's Early Warning System.

Living in poverty affects children's lives now, but it also determines their futures. Family income is the strongest predictor of how well a child will achieve in school.³⁰ Growing up in poverty can affect future employment prospects, health outcomes, and even life expectancy. The benefit cap is blighting the futures of 302,000 children who are currently living in households affected by the cap.

Shelter, Women's Aid and Child Poverty Action Group are calling for the benefit cap to be scrapped, so that survivors of domestic abuse, children and families are able to access safe, stable housing and are not exposed to further harms.

About Shelter

We exist to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society. We believe that home is everything. Registered charity in England & Wales (263710) and Scotland (SC002327).

About Women's Aid

Women's Aid is the national charity working to end domestic abuse against women and children. For 50 years, Women's Aid has been at the forefront of shaping and coordinating responses to domestic abuse through practice, research and policy. We empower survivors by keeping their voices at the heart of our work, working with and for women and children by listening to them and responding to their needs.

We are a federation of approximately 170 organisations which provide just under 300 local lifesaving services to women and children across the country. We provide expert training, qualifications and consultancy to a range of agencies and professionals working with survivors or commissioning domestic abuse services and award a National Quality Mark for services which meet our quality standards.

We hold the largest national data set on domestic abuse, whilst using research and evidence to inform all of our work. Our campaigns achieve change in policy, practice, and awareness, encouraging healthy relationships and helping to build a future where domestic abuse is no longer tolerated.

Our support services, which include our Live Chat Helpline, the Survivors' Forum, the No Woman Turned Away Project, the Survivor's Handbook, Love Respect (our dedicated website for young people in their first relationships), the national Women's Aid Directory and our advocacy projects, help thousands of women and children every year.

Women's Aid Federation of England is a registered charity in England & Wales (1054154) and a company limited by guarantee in England & Wales (3171880).

About CPAG

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights. Child Poverty Action Group is a registered charity in England and Wales (294841) and Scotland (SC039339).

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- ⁶ R. Patrick et al., [Needs and Entitlements: welfare reform and larger families](#), July 2023.
- ⁷ House of Commons Library, [Briefing paper: The Benefit Cap](#), November 2016.
- ⁸ CPAG and CIH evidence to the Work and Pensions Select Committee, [Report: Benefit cap](#), March 2019, paragraph 51.
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- ¹² Response from the London Borough of Barnet, *ibid*.
- ¹³ While specific policies may vary, 30 per cent is the standard measure for housing cost overburden.
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- ¹⁷ Shelter, [Living in a social home is over 60% more affordable than private renting](#), May 2024.
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- ²⁰ V. Galarza et al., [Brick by Brick: A plan to deliver the social homes we need](#), Shelter, July 2024.
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- ²² MHCLG, [Homelessness tables: domestic abuse breakdowns 2022-23](#), Table A5R 2022-23, May 2024.
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- ²⁶ Women's Aid, [Economics of Abuse](#), 2019.
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