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### THE BENEFIT CAP HELPS GET LONDONERS INTO WORK

New analysis by Policy in Practice finds that households affected by the Benefit Cap are 3.5% more likely to move into work, when compared to a similar cohort of uncapped households.

- The analysis also found no correlation between the cap and movement into temporary accommodation
- Local support has emerged as key to plugging the gap created by changes to the benefit rule
- Policy in Practice used local authority data to track the living standards of 574,000 Londoners over two years

They found that 11,413 families affected across 19 London boroughs were affected by this policy when it was fully rolled out across London in February 2017.

This fell by 23% over the first six months to 8,828:

- 37% of households moved off the cap by taking a job, or increasing hours worked
- 29% moved avoided a reduction in their benefit entitlement by moving property
- 28% are no longer present in the data, partly due to moving out of their borough

Policy in Practice have been working with councils across London. They have found that despite shrinking budgets and limited resources, local authority members have been providing a much-needed safety net for vulnerable and disadvantaged residents through employment support and discretionary housing payments.

*"Frontline staff are working across London to get people into work, and keep people in their homes. They should be commended for their efforts."*

While a significant proportion of households have been able to move into work (one of the stated intentions of the benefit cap policy), for many people affected, such as those in receipt of ESA or single parents with children below the age of three, work may not be a realistic option.

The research also found that:

- 293 households affected by the cap moved into temporary accommodation
- 1825 children and 737 families have fallen into relative poverty due to reduced benefits
- 417 households saw income fall below expenses, putting them at financial risk

Critical local authority work goes into supporting families affected by the policy into work, and in helping them to sustain a tenancy, which plays such an important role in these findings. You can read more about this work in the [Benefit Cap White Paper](#).

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## Editor's notes

Policy in Practice is an independent organisation founded by one of the architects of Universal Credit to make policy work for people on the frontline. It provides policy expertise, analytics and software available through GOV.UK through their benefit calculation engine.

You can download the report referenced in the press release [here](#).

The research is supported by the Trust for London, as part of a project tracking the living standards of over 574,000 low income households across London over two years, including around 45,000 people who were self-employed. It allows policymakers to ask a different set of questions:

- A datastore includes over 10 million records, to show the impact of reforms on large cohorts and individual households
- Our policy engine allows us to model changes now and in the future, such as Universal Credit and self-employment
- Tracking households over time allows us to understand causal relationship between interventions and outcomes
- We can benchmark the impact geographically to understand drivers and pinpoint support to individual households
- Layered over this is an analytics engine allows councils to take a proactive and predictive approach to supporting families on low incomes, and track the effectiveness of their interventions.

The OBR welfare trends report (Table 5.8) finds that 436,000 people nationally will be affected by the Minimum Income Floor, 65% of all self-employed claimants.

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