

The most vulnerable households have been forgotten in the cost-of-living crisis and the consequences will be devastating. It's time to scrap the benefit cap.



The government must urgently pay attention to the needs of those most vulnerable in our society. While the to-do list is long, scrapping the benefit cap would be a very good place to start, write [Kitty Stewart](#) and [Ruth Patrick](#).

While the cost-of-living crisis has rightly been making headlines, one group has received little attention, despite the extent of the hardship they face. These are the families – more than [120,000](#) of them – who are affected by the 'benefit cap', a policy which places an absolute limit on the annual support a family can receive in support from the benefits system if no household member is working.

There has justly been a backlash against this government's failure to support the poorest at a time of unprecedented need: a failure writ large in Chancellor Rishi Sunak's 2022 [spring statement](#). The government has flatly refused to uprate benefits in line with current inflation, let alone to provide a buffer against the coming shock of higher energy prices. In mid-April, benefit rates will rise by just 3.1% – far below the 8% needed to keep up with rising prices.

But those affected by the benefit cap will not even get this. Introduced in 2013 and lowered in 2016, the cap has remained the same in cash terms ever since – £20,000 or £23,000 in London. For capped households, any rise in benefits shows up only as an increase in the amount by which they are capped. They do not receive a penny extra to live on. This matters at all times, but especially in these extraordinary times. With food prices rising and energy costs rocketing, these families have been left out in the cold.

The benefit cap was introduced, we now know, because while it represented very modest savings, '[it polled off the charts](#)'. Chances are it polled so well because of the way benefit recipients have been represented by politicians and in the media over the years – as skivers and scroungers, rather than as people with goals, dreams, talents and values, trying to do what is best for their families, despite having been dealt a difficult hand or fallen on hard times. It works with and reinforces crude and simplistic divisions between 'working families' and 'welfare dependents', divisions which have been mobilised by this government as it refuses to provide decent support to those not currently in paid employment.

Nearly [nine in ten](#) of the 120,000 households who are currently capped have children, and nearly half have a child under five. Two-thirds are single parent households. One third are single parents with a child under five. And 7,330 families, 6% of the total, are single parents with a baby under a year old.

Behind each of these numbers is a family with a story to tell. As part of our Nuffield Foundation funded [project](#) on benefit changes and larger families, we are working alongside families affected by the benefit cap. The level of hardship and anxiety they are experiencing has often been hard to listen to. It is hard to believe that the benefit cap would poll so well if people had more information about the reality of the lives of the families who end up capped, and what this means for them and their children.

Families like Lucy's. She has three children under five – a four-year-old and two-year-old twins. That would be a challenge on any income. But Lucy's husband is a construction worker and has been in and out of work over the last couple of years. They escaped the cap for six months in 2021 as he was working but they were capped again in January when he was laid off.

The family live in London in private rented accommodation. Lucy bids every week for social housing but is always way down the list. The house has had problems with mould and rats and it's cold because there are no carpets downstairs. The rent is £1375 a month, and the landlord has warned of a further rent rise this year. After paying the rent and housing charges and a Universal Credit advance payment and some of the bills (but not gas and electricity, which are on a meter) they have a total of around £65 per week to live on. That's for all five of them for a week. Every week.

Lucy usually tops up the gas and electricity meter by £20 each week – a big slice out of the weekly budget. But recently, the £20 has been lasting much less long. The family thinks carefully before doing the washing or watching TV but sometimes £10 seems to disappear in just a couple of days. It's hard to imagine how it is possible to live on so little and that's quite simply because it isn't actually possible.

Foodbanks have been a big help – in February Lucy's family went to the foodbank every week. Sometimes they get support from family, but family are finding things tough too and Lucy doesn't want to always be taking and not giving back. Last month they went into arrears with rent and Council Tax. There just didn't seem to be any other option but knowing about the debt is adding to her worries. Still, there's one treat that she's so far managed to protect – a Kinder Egg for the children on a Friday. It feels like a luxury, but it's a little slice of the childhood she would like them to have.

Lucy has been looking for work in childcare, where she has qualifications. But she has also struggled with depression in the last few months since her husband lost his job. She told us that she cries every day and that sometimes she finds it hard to leave the house. She is in touch with the GP and mental health services, but they can't do anything about the fundamental problem: she is in constant crisis because our social security system is failing to support her family properly during its time of need.

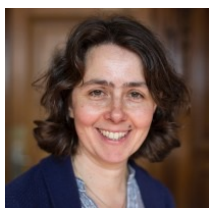
The problems here are clearly not only about social security. Lucy's circumstances underline the huge issue of high cost and poor-quality housing. The high rent (for substandard housing) is central to understanding her family's situation.

A benefit cap of £23,000 a year may poll well because it sounds like a very large amount of money. But in reality, the vast majority of this money goes to a private landlord, while the family are only managing by relying on charity and debt. If the landlord carries through on the threat to raise the rent this year, this will mean a higher share of the total for the landlord and even less for Lucy to survive on. Meanwhile, when benefits rise in April, she will not see any change to her income. And as the gas and electricity meter eats the £20 top-ups more and more quickly, the family will inevitably find it harder and harder to survive.

The consequences of this situation will be felt long term. There is strong evidence of a [causal link](#) between poverty and maternal depression, and we know that maternal development is terrible for child development – as is poverty itself. This is a crisis for families like Lucy's right now, and it also represents a host of costly future problems in the making. We urgently need this government both to pay attention to the needs of those most vulnerable in our society today, and to think long-term about the future. The to-do list is long – and it grows longer with each failure by this government to act. But scrapping the benefit cap would be a very good place to start.

Note: The project on which the above draws has been funded by the [Nuffield Foundation](#), but the views expressed are those of the authors and not necessarily the Foundation. The [Benefit Changes and Larger Families](#) project is a mixed methods research project exploring the impact of benefit changes including the benefit cap and the two-child limit on the experiences and outcomes of larger families.

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