Dear Colleague,

Implementation of the Benefit Cap

I am writing to you with regards to the implementation of the Benefit Cap, which will be phased in from April 2013. We continue to work closely in partnership with Local Authorities and with households to help them adjust their circumstances and wherever possible find work. This letter sets out the roll-out approach for your Local Authority.

Today we advised Bromley, Croydon, Enfield and Haringey Local Authorities that they will be the first to start to apply the Benefit Cap from April 2013.

The four Local Authorities within London were chosen to start the phasing in of the Benefit Cap as London has the highest percentage of potential Benefit Cap claimants and a diverse cross section of residents. It therefore makes sense to start there as it will help us to understand a wide range of issues around how we are implementing this change before national rollout. Choosing these four Local Authorities means that we can provide support from a single DWP Benefit Centre at Stratford. The majority of claimants in the four boroughs have their out of work benefit claims processed by Stratford Benefit Centre, which as you may be aware is the only London based Benefit Centre. That is an important factor in delivering this change safely as it allows us to focus all of our efforts on making sure that the delivery of this change works as intended for Local Authorities, DWP and households.

For all other Local Authorities across the country, including yours, we will move from implementation in the first four Local Authority areas to national rollout over the summer and as such all households identified as being appropriate to be capped will, in line with existing plans, have been capped by the end of September 2013. A decision on the precise date at which national rollout will commence will be made in the New Year.

You will be well aware that this approach, where we phase in national changes, is how we often implement major changes of this kind. A phased rollout allows us to:

- test our systems and processes end to end in a controlled live environment
- ensure the supporting products and services for both staff and claimants are effective
- ensure there is a measured approach to rolling out the cap to affected households
- build capacity to learn and respond to issues raised in the initial phase of rollout to inform national rollout
I should add that no change has been made to the Discretionary Housing Payments for 2013/14 as a result of this approach as it is recognised that activity to support households occurs throughout all of 2013/14 and not just from the date the Cap will be applied.

We will continue to work closely and engage with your Benefit Cap leads using our usual communication channels (circulars/bulletins/assurance work etc) and via the Local Authority Association and Practitioners Operational Group. We also have representation from Local Authorities and Department for Communities and Local Government at our regular Benefit Cap Senior Stakeholder Board meetings. In addition, at a local level we will work with you through the arrangements we already have in place across our Jobcentre Plus network to support you to deliver this change and to support claimants affected by the Benefit Cap to adjust their circumstances, including providing the support to secure employment.

I would be happy to hear from you around how we can work together to deliver the Benefit Cap and my contact details are on this letter. In addition, those responsible for managing this change in your organisations may want to raise issues and if so it would be helpful for them to be directed in the first instance to the following e-mail address - DWP Benefit Cap.

I would like to thank you in advance for your co-operation and support.

Yours sincerely,

Steve Imeson