



## **Sums Don't Add Up for Poor Families or for Treasury**

- ***Disparities between lone parent and couple households should be addressed campaigners warn;***
- ***Treasury plans incentivise lone parents to live apart and will cost tax payers more***
- ***Housing Benefit cuts will cause exodus of poorer families from inner London***

Charity Family Action is today calling on the Chancellor to remove couple penalties in his welfare cap plans in the Comprehensive Spending Review.

The charity, which works with vulnerable families through early intervention in the home, is calling for changes to housing benefit and welfare caps to make the sums add up for vulnerable families and the Treasury.

Family Action warns that the welfare caps risk family stability and could prevent stable relationships because of the couple penalties they introduce. The proposed welfare cap would act as a blunt instrument which takes no account of household circumstances in determining maximum entitlement to benefits and tax credits. Family Action are also concerned about how the planned cuts will affect families and services and are urging the Government to introduce changes to mitigate housing benefit caps.

Family Action is calling for the welfare cap to be introduced in a way which is fair to all families. Family Action says that the cap should be equalised to take into account household size and that the benefit caps should be varied by area in order to take account of local differences in the cost of housing.

Family Action Chief Executive Helen Dent said: "The Treasury need to do their sums again on welfare caps and housing benefit cuts. They don't add up for poor families and they don't add up for tax payers. There's a real risk these plans will damage vulnerable families and lead to lone parents living apart thanks to the couple penalties the changes introduce. We're calling on the Treasury to think again on welfare caps and housing benefit cuts and protect services for vulnerable families."

**Ends**

**Notes to Editors**

For further information or to arrange to speak to a case study family affected by the Comprehensive Spending Review please contact Anthony McCaul,

Senior Media and Campaigns Officer at Family Action on 0207 241 7632 or 0781 309 2040 or email [anthony.mccaul@family.action.org.uk](mailto:anthony.mccaul@family.action.org.uk)

Family Action produced a recent report, The Cap Doesn't Fit: Assessments of the Welfare Caps on Model Families. You can access a copy of the report [here](#). Family Action's call to make the welfare caps fair is attached.

**Housing Benefit:**

Family Action is calling on Government to take a number of actions to mitigate the

impact of housing benefit caps including:

- Ensuring the new rules only apply to new claimants, and when people move home;
- Increasing Discretionary Housing Payments substantially to help those households who are affected by the new rules;
- Moving the introduction of the LHA caps and the removal of the 5th bedroom rate to October 2011;
- Uprating all LHA rates (including those affected by the LHA caps) in line with rental prices rather than the CPI so as to avoid further homelessness in future; and
- Calling for the proposed welfare caps announced at the Conservative party conference to be varied to reflect local rents for benefit recipients.