

Britain's Housing Benefit changes will increase social misery

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6 July 2010

Housing Benefit reforms by the Conservative-Liberal Democrat coalition will lead to an increase in homelessness. The proposals outlined could potentially affect over one million households in the UK currently in receipt of the Local Housing Allowance. Local Housing Allowance (LHA) calculates the Housing Benefit payable to tenants who rent their home from a private landlord.

At present the amount of Local Housing Allowance paid is calculated on the median (50 percent) of local rent in a given area. From October 2011 this calculation will be based on the 30th percentile of local rents, leading to a significant reduction in the Local Housing Allowance paid.

It is calculated that a family renting a three bedroom home in the Greater Glasgow Broad Rental Market Area (BRMA) that now receive £160.38p a week (LHA) will, with the new proposed changes receive £138.46p a week, a shortfall of £21.92p a week.

The above measures will also include from April 2011 a cap on the amount of Local Housing Allowance that will be paid, to a maximum of £400 a week for a four bedroom property and a lower cap for smaller properties.

The Department of Work and Pensions estimates that currently there are approximately 5,170 families in the UK who receive more than £400 a week in Housing Benefit to cover costs of rent paid to private landlords. Howard Farrand, president of the Chartered Institute of Housing, said the changes “will impact on the ability of worse-off families to live in more affluent areas, possibly forcing people to leave communities where they have lived for years”.

It will lead to landlords avoiding letting properties to people in receipt of Housing Benefit because of the risk of Housing Benefit being cut.

These changes will affect many families across the UK, not just people housed in parts of the affluent areas of London. A report in the *Yorkshire Evening Post* estimates that changes to the Local Housing Allowance will affect many families in Leeds, writing, “The Labour leader of Leeds council today claimed that thousands could be made homeless and warned ghettos of cheap, squalid accommodation could be created in the city”.

According to the UK homeless charity, Shelter, up to nearly half of current claimants are already making up a shortfall in rent (not paid by Housing Benefit) of nearly £100 a month. Campbell Robb, Shelter's chief executive has said, “If this support is ripped out suddenly from under their feet, it will push many households over the edge, triggering a spiral of debt, eviction and homelessness”.

The Joseph Rowntree Foundation has warned that some families could find themselves forced into “poor quality, overcrowded housing” in areas where private rents were high, such as London and the south-east.

The demography of cities will change as part of a general shift in population. A report in response to the budget from the Building and Social Housing Foundation (BSHF) commented, “In the longer term, concerns will centre on the potential for the creation of Parisian-style banlieues, areas on the outskirts of the city with concentrations of deprivation, while the city centre becomes exclusively for the very well off. Further analysis will need to be undertaken to establish what is likely to happen in the UK's spatio-economic context, but the potential for the total exclusion of the poor from large areas is clearly present in the measures announced in the budget”.

Other measures outlined include the cutting of Housing Benefit payments by 10 percent to those who

have been in receipt of Jobseekers Allowance (JSA) for more than a year. This could affect up to an estimated 700,000 people.

JSA claimants are paid £65 a week; and many already struggle to pay utility bills alone, experiencing fuel poverty.

The Chartered Institute of Housing and the National Housing Federation have warned that many people on JSA live in social housing and cutting their benefit could lead to escalating arrears and hardship.

These proposals come at a time when the homelessness charities are struggling for funding due to falls in charitable donations and local authorities are making cuts in spending on homelessness via the Supporting People's Budgets.

The government has claimed that the bill for Housing Benefit is unacceptably high, and if people want to live in accommodation that is in a decent area they should have to work and pay for this themselves. This explanation of a supposedly large Housing Benefit bill does not address the deep-seated problems that lie at the heart of the housing crisis affecting so many. Over the past 30 years, many more people have been forced to live in the private rented sector, where the rents can be considerably higher than those in the social housing sector. This is due to major shortfalls in social house building, coupled with the Right to Buy extended to council (Local Authority) house tenants and Right to Acquire for Housing Association tenants.

This was at a time when there was a block Local Authorities being allowed to build new homes that could have replaced some of the houses sold. This led to a massive shortfall in affordable secure accommodation, with many people having to wait on local authority housing waiting lists for years and even decades, often living in poor temporary accommodation.

This situation will be exacerbated by the wider attacks on services and the austerity measures being imposed on millions, including job losses and wage cuts and freezes.



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