

# The government's proposed cuts to the housing benefit will force 130,000 families out of their homes and add to the UK's growing homeless population

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*Reform of the housing benefit and an end to 'tenancy for life' is one of the cornerstones of the coalition government's social policy. [Avery Hancock](#) uncovers how caps on the housing benefit may force thousands out of their homes at a time when existing homelessness services are already stretched to the limit.*



As the UK endures arctic weather over the Christmas holiday period, many homeless charities have launched appeals for donations and for volunteers to help some of the country's most vulnerable citizens. But those concerned about homelessness should think beyond Christmas to January 2012, when the coalition government will implement housing benefit cuts that could have a dramatic impact on the affordability of housing for people on low incomes.

The number of households officially recognised as 'newly homeless' by their local authority [declined sharply](#) in England and Wales between 2004 and 2008 (and have remained relatively stable in Scotland). However, the combination of the UK's [housing crisis](#) and economic recession has caused a new [surge](#) in homelessness, with the Department for Communities and Local Government reporting that 11,840 households were accepted as homeless across the country in the last quarter. This represents [an increase of 17%](#) and it is the third quarter in a row that the numbers have increased.

The homeless campaigning organization Crisis estimates that already about 2,000 people [sleep rough](#) every night in the UK. But this is only one part of the picture. According to a report by [New Philanthropy Capital](#), for every known rough sleeper, there are around 100 people in hostels, up to 600 adults living in 'concealed' households and upwards of 1,100 households in overcrowded accommodation

In June 2010 the prime minister created a cross-departmental Homelessness Working Group dedicated to [stepping up action](#) on the issue; a few months later London mayor [Boris Johnson](#) announced a new 'homeless to work' scheme. But the changes to housing benefits made in the government's emergency benefit October's Comprehensive Spending Review could both increase the number of homeless and restrict the capacity of local government to respond. Originally the government planned to introduce a new cap on housing benefit from April 2011 according to the following prices:

- £250 a week for a 1 bedroom property
- £290 a week for a 2 bedroom property
- £340 a week for a 3 bedroom property
- £400 a week for a 4 bedroom property or larger

The cap was sold by the chancellor as closing the [open chequebook](#) for out-of-work families while saving £1bn a year from the welfare bill. Immediately the media and civil society groups began to do the [maths](#): 60,000 families' benefits would be cut by £1,000 per year and 200,000 individuals priced out of [London](#) in what Boris Johnson called 'Kosovo-style [social cleansing](#)'. This is likely to be compounded by reductions to the Local Housing Allowance, which will be pulled in line with the bottom third of private sector rents, rather than the bottom half.

Researchers at [Cambridge](#) predict that this will cause 134,000 households to either be evicted or forced to move when the cuts come as they will be unable to negotiate cheaper rents, particularly in cities. 35,000 households will appeal to their local councils for housing assistance, costing an estimated £120 million as councils scramble to find B&B and hostel accommodation.

[Westminster council](#) alone estimates it will have to find alternative accommodation for 480 families. The Department of Communities and Local Government has made a £10 million grant available to local councils' funds to cope with the changes, but it is not clear how this money will be allocated. Moreover, this process will take place in the context of what the Conservative chair of the Local Government Association has called 'the toughest local government finance settlement in [living memory](#)'.

Even the government's own Social Security Advisory body published a highly critical [response](#) to the proposed measures, which they find 'neither a coherent expression of the Government's objectives for improving incentives and making work pay, nor a certain formula for achieving savings to the public purse as a whole.' They warn that in some areas, and particularly in London, only around a third of properties will still be affordable to housing benefit recipients – placing more people at risk of homelessness – and there is little in the coalition's plans to address the underlying problem of the paucity of affordable housing.

The Department of Work and Pensions has in fact decided to [delay](#) the switch in housing benefit for existing claimants until January 2012 – implicitly acknowledging the difficulty many low-income households will have in adjusting to the new housing regime – but this seems to be at the cost of new claimants, who will find their cut brought forward from October 2011 to April 2011.

Add all of this to the [prospect of an increase in house repossessions as mortgage rates threaten to rise in the new year](#), and the likelihood is that the UK will witness an upsurge in homelessness in 2011. The voluntary sector will struggle to be able to pick up the pieces, regardless of Big Society rhetoric, as over half of [homelessness organisations](#) have been significantly affected by the recession. A compelling case can therefore be made to give generously this Christmas, and to keep giving well into the New Year.

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