

# Benefit cuts to make 800,000 more UK homes unaffordable

By Dennis Moore  
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Welfare cuts will put a further 800,000 homes out of reach of those claiming housing benefit, according to study by the Chartered Institute of Housing (CIH).

This month saw the introduction of the capping of housing benefit payments that will leave many low-income families with a stark choice: either to pay the rent by cutting essential spending on food and heating, or move out of the home they are living in.

The CIH has found that there will be many more claimants of benefits than available affordable accommodation.

The term “benefit ghettos” is being used to describe areas in the UK, such as the north of England and seaside towns, where many families will end up having to migrate to live because of changes to the benefits system.

For a two-bedroom house, housing benefit will pay a maximum of £250 a week, leaving the shortfall to be picked up by the tenant/s. The implications of this will be immediate, with many areas of the UK not having enough affordable properties that will be covered by someone claiming the Local Housing Allowance (LHA) in a given area.

In Kensington and Chelsea, two of the richest areas in central London, 35,000 homes will be made out of the reach of those who are currently claiming housing benefit. Those losing their homes will not just be able to move to more affordable parts of London because the other areas will be facing similar problems. In Croydon, for example, there will be 17,000 people chasing 10,000 homes.

The problem will not be restricted to the capital. According to analysis carried out for the *Guardian*, prior to these benefit changes Birmingham had 37,000 homes with affordable rents. With the changes there will be 34,500 housing benefit claimants vying for just

23,000 affordable homes. On Merseyside in Liverpool there will be 21,000 people currently claiming LHA who will be able to afford just 12,000 homes. In Salford there will be 4,100 properties to rent for 7,400 people on benefits.

The government has said the average loss to benefits is £12 a week, which is equivalent to 18 percent of unemployment benefits. Regional variations in the rent subsidy mean this can be much more in certain areas of the UK. The end result will be a form of “social cleansing”, driving the poor out of entire areas.

The issue of affordability will not be the only problem faced by people who move. According to the CIH study, there will be increased competition for a dwindling number of jobs, with people having to move out of areas where there are a greater number and variety of jobs, such as the inner cities. The cuts to housing benefit come on top of a general increase in homelessness and a rise in rough sleeping on the streets of the UK.

There have been significant rises in youth homelessness. The charity Homeless Link published a survey of charities and local authorities in December 2010 showing that nearly half of homelessness services (44 percent) and councils (48 percent) have seen increases in young people presenting as homeless or at risk of homelessness. This included 26 percent of young people having experience of sleeping rough.

Homelessness services were now finding it difficult to cope with the increased demand, with 48 percent of agencies reporting that they had had to turn people away because their resources were fully stretched. The survey also showed that 53 percent of homeless agencies have experienced closure or threats of closure to youth services in their area.

Nearly one in five local authorities (17 percent)

reported that they are not meeting their legal requirements for young homeless people aged 16 to 17. Half of local authorities were using bed and breakfast guest houses as emergency accommodation, despite government guidelines advising against this. In excess of 70 percent of local authorities said they had no shared accommodation private sector provision, despite this being the only option for young people on housing benefit.

The crisis of youth homelessness is predicted to get much worse with the extension this month of the Shared Accommodation Rate (SAR) of housing benefit that has been paid to the under 25s. It is now to be extended to all those claiming housing benefit between the ages of 25 and 34. Payments will be set at the rate for a single room in a shared house, as against the rate that would be payable for a self contained one-bedroom property.

These cuts will mean that 25- to 34-year-olds currently living in properties paid housing benefit at the old rates will have to make up the shortfall on the rent not covered by the SAR rate. Averaging at up to £41 a week, this will lead to the vast majority of this group losing their homes.

Single room shared accommodation is not abundant and for many the SAR still does not cover the rent, leaving them in hardship and at risk of homelessness. The Department for Work and Pensions' own figures suggest that 88,000 vulnerable young people in England will be affected by these changes to housing benefit.

The Homelessness charity St. Mungos recently published a report, "Battered, Broken, bereft—Why People Still End up Rough Sleeping", that surveyed outreach workers across England. Three out of five workers interviewed reported that rough sleeping had increased in their areas, with 70 percent saying there wasn't enough emergency accommodation for homeless people.

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