



150 YEARS OF HELPING HOMELESS PEOPLE: 1860-2010

PRESS RELEASE - FOR IMMEDIATE RELEASE

'Benefit cuts will hit London's poorest,' says charity

The proposed cuts to housing benefits are an 'inhumane response to the needs of the most vulnerable in society', according to the head of London homeless charity Providence Row.

The government's proposals to lower the rate of housing benefit mean less private rented accommodation will be available to the poorest people in London. 'These cuts in benefits would see many people unable to afford their current homes evicted on to the streets. More and more people will be applying for less accommodation, further worsening an already desperate situation,' said Chief Executive, Jo Ansell.

The coalition are planning to cap the Local Housing Allowance at 30% (down from 50%) from October 2011, making 70% of all private rentals unaffordable to London's poorest, including those on minimum wage. Single homeless people trying to re-enter the rental market will be hardest hit as they are often ineligible for social housing.

Compounded with rising living costs such as food, fuel and travel costs, meeting the shortfall between housing benefit and rental prices will push many into homelessness. London Councils estimate that around 82 000 evictions will take place in the capital each year.

This cost saving measure by the government would ultimately be very expensive. Homeless services will be left to deal with the fallout and it could be the poorest boroughs of London that end up paying the most. Rehousing homeless people is costly: Providence Row currently spends up to £20 000 a week tackling homelessness in the capital. The government predicts changes to housing benefit will save £1.76bn per year nationally although research shows the results of evictions will cost up to £3.4bn, costing the state an extra £1.64bn per year.

This increased pressure on services comes at a time when the charity is facing cuts in funding from the local authorities, who are under pressure from central government to slash their budgets. Funding for services to homeless people in London is being distributed locally by borough rather than for London as a whole. This does not take into account the transient nature of London's homeless and can leave the burden of financial support on those boroughs which host services whilst some of the richer boroughs provide, and pay for, nothing at all.

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Notes to editors

- Figures on savings and costs to government from *Homeless Link's Evidence: Social Security Advisory Committee Public Consultation on the Housing Benefit (Amendment) Regulations 2010*.
- Providence Row's services include hot breakfasts, showers, advice on housing and benefits as well as reconnection to people's local area or home country.
- To tackle the causes of homelessness it helps people with mental health issues and addictions as well as hosting a needle exchange; the Meaningful Occupation department provides activities such as an in house volunteering programme and digital media classes.

Contact

Name: Dipika Kulkarni

Title: Communications and Events Officer

Tel: 020 7422 6763

Email: dkulkarni@providencerow.org.uk

www.providencerow.org.uk