

GROWTH & PROSPERITY OVERVIEW SCRUTINY PANEL

Briefing Note: Government Policy Changes

Sep 2010

1.Housing Benefit Changes

In the emergency budget on 22 June 2010 the government announced significant changes to housing benefit and local housing allowance. The changes will mean an annual reduction of £1,765 million of government help with housing costs.

The impact of the proposed changes to housing benefit and local housing allowance will affect social and private landlords, tenants, and strategic housing authorities in the UK

Change	Date introduced	Directly affects	Annual saving to government
<p>Capping the maximum LHA payable for each property size, and applying a four-bed limit:</p> <ul style="list-style-type: none"> • £250 for one-bed • £290 for two-bed • £340 for three-bed • £400 for four-bed and larger properties 	April 2011	Private rented sector DWP expects it to affect just over 14,000 households. The vast majority of are expected to be within London	£65m by 2014/15
<p>Increasing deductions for non-dependents: they will no longer be frozen at £7.40 per week for non-earners and will be linked to prices</p>	April 2011	Social and private rented sector	£340m by 2014/15
<p>Calculating Local Housing Allowance (LHA) rates using the 30th percentile of market rents rather than the 50th percentile</p>	October 2011	Private rented sector	£425m by 2014/15
<p>Linking LHA increases to</p>	April 2013	Private rented	£390m by

the consumer prices index (CPI) which does not include housing costs rather than the higher retail prices index (RPI)		sector	2014/15
Time limiting full HB & LHA payable to people on Job Seekers' Allowance (JSA) so that after 12 months HB is reduced by 10%	April 2013	Social and private rented sector	£110m by 2014/15
Limiting housing benefit for working age tenants so that it only covers the size of property they are judged to need	April 2013	Social rented sector	£490m by 2014/15
		Total	£1,820m by 2014/15

Local Authorities with a strategic housing role may see:

- Movement of tenants from Central London to outer and eastern boroughs
- Changes in demand for services including schools and health
- Increased levels of overcrowding
- Increased demand for cheaper properties
- Increased applications for discretionary housing payments
- Higher demand for debt counselling services
- Higher demand on homelessness and housing options services
- Potential impact on temporary and/or bed and breakfast accommodation if tenants evicted are considered intentionally homeless
- Increased applications and demand from young people
- Increased transfer applications and bidding via choice based lettings
- Private landlords becoming more reluctant to let to families with older children who are approaching age 18
- Increased applications for discretionary housing payments.

<http://housing.cih.co.uk/memberbriefing/housingbenefit-July-2010.htm>

2.Organisation of Community events

- A Growth & Prosperity OSP Task and Finish has been established to look into the costs and charging for community/ charitable events across the city. The Government are seeking to reduce unnecessary bureaucracy. Further guidance has been received this week to promote less bureaucracy for small local events;

- The position on road closures for local events has been clarified with Dept for Transport. For most small street parties that do not affect the wider road network, there is no requirement in law for local authorities to advertise proposed road closures or carry out consultations. Neither are specific signs or other traffic management equipment required. Local authorities should act proportionately, wisely, and in the public interest and apply discretion to suit local circumstances. This advice will be considered by the panel as part of their deliberations.

<http://www.communities.gov.uk/newsstories/newsroom/1660358>

3. Reducing Street Clutter (Letter from Rt Hon Eric Pickles)

- Street furniture, including traffic signs and railings, is often over-provided in the mistaken belief that it is a legal necessity. Whilst certain signs are required by law, the message throughout Government advice is that for signs to be most effective they should be kept to a minimum. Our technical advice assists authorities in the discharge of their duties. It needs to be interpreted to suit the local area. This will continue to be the message in the sequel to the Manual for Streets, due for publication in September.
- Reducing street clutter is also a priority for our ongoing review of traffic signs policy and we expect to provide guidance for auditing and removing unnecessary traffic signs. This guidance will be available by the end of the year and will stress the benefits of local community involvement.
- It is not just traffic related street furniture which adds to clutter. For example, advertising equipment and telephone boxes also have a significant impact on the street environment, if not placed carefully. Where authorities adopt clear design principles for their streets it is easier to persuade local partners, communities and businesses to play their part in making streets better places.

4. Gypsies and travellers

- Aim is to give travellers the same rights as other mobile home residents
- Stronger tenancy rights on authorised council sites
- New incentives to build authorised sites
- Abolition of Whitehall guidance
- Stronger powers for councils to tackle unauthorised development

<http://www.communities.gov.uk/news/corporate/1700758>