

NOTICE OF MOTION FOR FULL COUNCIL

UNDER PARAGRAPH 11.1 OF THE COUNCIL PROCEDURE RULES

The following Motion to be submitted to Full Council on the date indicated below:-

The Council notes that proposed changes to cap housing benefit to the level of Local Housing Allowance will have a massive detrimental impact upon those living in supported housing. The proposed change will affect the lives of hundreds of thousands of people who totally depend on this specialist housing, and many are the most vulnerable people with nowhere else to turn – older people, the homeless, those with dementia, people with mental health problems, ex-veterans and women fleeing domestic violence.

According to the National Housing Federation, this change would hit vulnerable people by an average of £68 a week and at least 82,000 homes for these groups would be forced to close. In a recent survey by Inside Housing magazine 95% of supported housing providers would be forced to wind up housing schemes for the most vulnerable if the planned benefit cut goes ahead.

The cut will link the amount of housing benefit to the level of Local Housing Allowance but rents in supported housing are typically much higher than this due to the care element provided. Discretionary Housing Payments will go nowhere near addressing this shortfall leaving tenants with huge arrears if the benefit is capped.

Although the measure is not due to be fully implemented until April 2018, the government has failed to understand that it has a profound impact now, today. New homes for supported housing, partly funded by capital investment from the government, will now not be built because no provider can risk the cost of new building unless they are confident the rent will cover the cost. Existing homes will begin to close very soon as contracts for the provision of care and support services, which usually last three to five years, are renegotiated. No organisation can possibly sign such a contract unless they have a reasonable expectation that they will be able to pay the price.

This measure will therefore result in redundancies, a sharp fall in the construction of desperately needed bed spaces, and the most vulnerable members of society having to find accommodation in the private sector at a far greater cost to the public purse.

The Council urges the Government to address this issue as a matter of great urgency.

Date of Council Meeting:-

24th February 2016

Notice submitted from

Councillor Knowles

Date: 8th February 2016

Councillor Ashworth

Date: 8th February 2016

Notice received and validated by the S151 Officer: Phil Seddon	
<p>Comments:</p> <p>There is a potential financial impact on the Council's finances as a result of the changes. Currently Council is able to claim against the Housing Benefit grant the full cost of supported accommodation, in the case of RSLs, where there is no other suitable cheaper accommodation available in the area. As from April 2018 the claim against the Housing Benefit grant will be restricted to the LHA rate albeit the RSLs/ tenants will be entitled to claim from Council the higher rent – where there have been no change to tenancies. This latter point is expected to be the case within Rossendale given the static nature of the customer base. This restriction also applies to new tenancies arising between April 2016 and March 2018, but the rent will not be restricted until April 2018.</p> <p>The Council saw a similar cost situation in and around 2010 when a number of non-RSL were claiming housing rent which could not fully be recovered from the Housing Benefit grant at a cost to Council of c£100k pa. At that time we worked with these landlords in order for them to achieve RSL status and therefore eliminate this cost to Council.</p> <p>On reviewing the Autumn Statement it states that “Social sector rents will in future be limited to the maximum of the Local Housing Allowance rates” any housing benefit paid above this rate will not be eligible for any recovery (either in full or part) from the Housing Benefit grant). Potentially, we may see a further and significant transfer of housing benefit costs to the District Councils over the medium term. It has been stated that additional Discretionary Housing Payment funding will be made available to protect the most vulnerable including those in supported accommodation, but we cannot guarantee that all Council costs will be met.</p>	<p>Date: 09/02/2016</p>
Notice received and validated by the Monitoring Officer: Clare Birtwistle	
<p>Comments: No additional comments</p>	<p>Date: 11/02/2016</p>
Notice received on behalf of the Head of the Paid Service and entered in the book open to Public Inspection	
<p>Received by: Stuart Sugarman</p>	<p>Date: 08/02/2016</p>