

Housing benefit changes could 'force 200,000 people out of London'

Changes to housing benefit regulations could force 200,000 people to leave London, council leaders have warned.

George Osborne plans to cap housing benefit from April 2011, as part of the government's debt-reduction measures.

George Osborne's plans have come under attack (PA)

London council bosses believe private landlords will not respond by reducing rents, as they have little trouble attracting young professionals who cannot afford to buy homes as tenants.

The council leaders told the Work and Pensions Select Committee that could make it very difficult for low-income families to afford to live in London, reports the Observer.

They warned that 82,000 families could lose their homes in London as a result of the housing benefit changes and revealed councils have already begun block booking accommodation in Reading, Hastings and Luton to help those forced out of the capital.

David Orr, chief executive of the National Housing Federation, said the cap could have a devastating impact on families.

'Unless ministers urgently reconsider these punitive cuts, we could see more people sleeping rough than at any stage during the last 30 years,' he warned.

However, a government spokesman told Sky News there is no evidence to back claims housing benefit changes would result in an exodus of families from London.

'The current way that it is administered is unfair. It's not right that some families on benefits have been able to live in homes that most working families could not afford,' they added.