

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS

LONDON SW1A 0AA

5th March 2020

Dear Constance,

RE: LOCAL HOUSING ALLOWANCE.

Thank you for your recent correspondence in respect of Local Housing Allowance (LHA); your comments upon which I have read with great interest.

While I appreciate your concerns on this issue, reforms to Housing Benefit are a central part of plans to create a welfare system that supports the most vulnerable and is fair to taxpayers.

Around £24 billion a year is spent on Housing Benefit to support people with housing costs, with over £1 billion in Discretionary Housing Payments (DHPs) having been provided to local authorities to help vulnerable claimants. In the recent Spending Round, the Chancellor announced a further £40 million of funding for DHPs, increasing the annual budget up to £180 million from the £140 million spent last year.

Local Housing Allowance rates will be increased in line with the Consumer Price Index (CPI) from April 2020. This will end the benefit freeze. It will give the majority of people in receipt of housing support in the private rented sector an increase which will benefit them by about £10 per month.

I am assured that around 30 percent of potential savings from the LHA freeze were used to create further Targeted Affordability Funding, to help tenants in those areas where LHA rates differ the most from local rents. This has been used to increase 361 LHA rates by 3 percent in areas with high rental costs in 2019-20, including 16 rates in Scotland. This year, £210 million has been invested in Targeted Affordability Funding. It is estimated that over 500,000 households will benefit from these increases in LHA rates, seeing a real increase of around £250 a year.

On the specific issue of homelessness, I firmly believe that just one person without a roof over their head is one too many, and it is important that the most vulnerable people in our society are helped to get their lives back on track. That is why I am pleased over £1.2 billion has been provided to homelessness and rough sleeping through to this financial year, and that a further £422 million was announced for 2020-21.

Of course, more dedicated support is needed to help the most entrenched rough sleepers, and a range of measures, such as Housing First pilots and the Rapid Rehousing Pathway, are in place to provide stable accommodation and intensive care. A promising recent study showed that in 2018 alone, the Rough Sleeping Initiative helped reduce the number of rough sleepers by over a third in funded areas, and I am glad that £112 million has been announced for the initiative to provide 6,000 beds in 270 areas across England in 2020-21.



While the number of rough sleepers declined in 2018 compared to 2017, more needs to be done to tackle homelessness and rough sleeping by ensuring there is enough housing. I understand this is why the Government is boosting the building of more homes of all tenures, including affordable homes and properties for social rent, helping reach the target of 300,000 new properties each year by the mid-2020s.

I am confident that these measures will reduce homelessness across our country and help end rough sleeping by the end of this Parliament.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

With best wishes,
Tom

**TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE**