



HOUSE OF COMMONS
LONDON SW1A 0AA

16th December 2020

New Complaint,

RE: LOCAL HOUSING ALLOWANCE RATES

Thank you for your recent correspondence about the Local Housing Allowance; your comments upon which I have read with great interest.

Following the outbreak of Coronavirus, the Government has acted swiftly to protect renters and ensure that those who need it are able to access support and remain in their homes.

The Local Housing Allowance (LHA) rate has been increased to the 30th percentile of local market rents for Universal Credit and Housing Benefit claimants and I welcome that this increase will be maintained in cash terms in the next financial year. This means that 30 percent of properties in each broad rental market area across England, Scotland and Wales are now within the LHA rate. This change will directly benefit over a million households who will see an increase in support of on average £600.

Action was also taken to suspend evictions during the first national 'lockdown'. Government guidance is also clear that landlords should provide support to tenants who may be experiencing financial difficulties.

Since the start of the pandemic, almost 15,000 rough sleepers have been offered accommodation and a taskforce has been created to support rough sleepers in to long-term accommodation. I welcome that the Spending Review is providing almost £700 million in funding for the next financial year to end rough sleeping and address homelessness, taking us one step closer to the commitment to ending rough sleeping by the end of the Parliament. £670 million is also being provided to reduce people's council tax bills, following the £500 million already provided for this year.

On the benefit cap, although temporary changes have been introduced to support people at this difficult time, it is not the intention to fundamentally change the process, principles, or application of the benefit system. The national cap is currently set at £20,000, rising to £23,000 in London. However, if claimants need extra support to meet rental costs, they can approach their local authority for a Discretionary Housing Payment (DHP). Since 2011, over £1 billion has been invested in DHP funding and I am especially glad an additional £40 million of DHP funding for England and Wales has been allocated for this year.



Exemptions from the cap are in place which protect families who experience a sudden change in their circumstances. As you point out, in the event someone loses their job, they may qualify for a grace period from the cap for 39 weeks. Exemptions also apply for the most vulnerable claimants who are entitled to disability benefits and carer benefits.

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**