



HOUSE OF COMMONS
LONDON SW1A 0AA

16th November 2022

Dear Constance,

RE: HOMELESSNESS AND THE BENEFIT CAP

Thank you for your recent correspondence in respect of homelessness and the benefit cap. I have read your comments with interest.

The Government is clear that people should always be better off in work than on welfare. This was not the case before the introduction of the benefit cap, with too many people able to claim more in benefits than they otherwise would in employment. This was not fair on working people.

I am reassured that the current cap of £20,000 nationally, and £23,000 in London, strikes the right balance between supporting the most vulnerable and incentivising work.

The Government's commitment to making work pay has also been demonstrated by changes to the Universal Credit (UC) Taper Rate following the Autumn 2021 Budget. For every £1 (after tax) that a claimant earns in work, their UC award will now be reduced by only 55 percent rather than 63 percent.

Generous increases to UC Work Allowances also mean that claimants can earn more before support begins to be withdrawn through the Taper Rate. These increases are an effective tax cut for around two million of the lowest-earning working families, worth £1,000 per year on average.

If claimants do require additional support with housing costs, they can approach their local authority for a Discretionary Housing Payment (DHP). Since 2011, the Government has provided almost over £1.5 billion in DHPs.

Moreover, exemptions from the cap are in place to protect families who experience a sudden change in circumstances. For example, if a claimant 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 and carer benefits.

The Secretary of State for Work & Pensions reviews Local Housing Allowance (LHA) rates annually. In April 2020, LHA rates were increased to the 30th percentile of local rents. This significant investment of nearly £1 billion provided 1.5 million claimants with an average of £600 more housing support in 2020/21 than they would have otherwise received. LHA rates have been maintained at their increased levels since then, so that everyone who benefitted from the increase will continue to do so.



More broadly, the Government's record on tackling homelessness has been a success, with levels of rough sleeping falling by 49 percent since 2017. The Spending Review committed £2 billion to tackle and prevent homelessness over the next three years.

I also welcome the Government's action on energy bills. Under the Energy Price Guarantee (EPG), a typical household will pay no more than £2,500 per year until April 2023. The EPG is in addition to the £400 Energy Bills Support Scheme and will support millions of people through the difficult months ahead, meaning they will not have to face bills of £6,000 this winter.

This action is in addition to the £37 billion worth of support introduced earlier this year for households, including up to £1,200 for the most vulnerable households in receipt of qualifying 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,

A handwritten signature in blue ink, appearing to be 'TP' or similar initials, with a horizontal line underneath.

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