

CHRIS HEATON-HARRIS MP



HOUSE OF COMMONS

LONDON SW1A 0AA

March 2020

Dear Constituent,

Thank you for contacting me about Local Housing Allowance (LHA).

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, sending 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 per cent of potential savings from the LHA freeze were used to create further Targeted Affordability Funding, to help tenants in those areas where local housing allowance rates differ the most from local rents. This has been used to increase 361 LHA rates by 3 per cent 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.

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY

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