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Our ref: MC2023/83211

Rt Hon Sir George Howarth MP
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18 December 2023

Dear Sir George,

As you may know, your email of 23 October to the Chancellor of the Exchequer on behalf of a number of your constituents about the Local Housing Allowance (LHA) was forwarded to this Department. I am replying as the Minister with responsibility for this policy area. I apologise for the delay.

Please pass on my thanks to your constituents for taking the time to write in raising this issue. I write to you with the latest update and I hope they will find the following comments to be helpful.

Your constituents have asked that the Government unfreeze LHA rates and I am sure they will have been pleased to hear the announcement by the Chancellor at the recent Autumn Statement that from April 2024, we will be investing £1.2 billion to increase LHA rates to the 30th percentile of local market rents. This significant investment will ensure 1.6 million private renters in receipt of Housing Benefit or Universal Credit will gain on average, nearly £800 per year in additional help towards their rental costs in 2024/25.

LHA provides a reasonable level of housing support towards rental costs in the private rented sector. However, they are not intended to cover all rents in all areas.

This investment in LHA highlights the Government's commitment to supporting private renters and the Government's continued support to those at risk of homelessness.

For those who still face a shortfall in meeting their housing costs and need further support Discretionary Housing Payments (DHPs) are available from local authorities. Since 2011 the Government has provided nearly £1.7 billion in DHP funding to local authorities.

The Government announced substantial cost of living support for those on low incomes for 2023/24. Taken together, support for households to help with the high cost of living is worth £104 billion over 2022/23 to 2024/25, or £3,700 per household on average.

Over 8 million UK households on eligible means tested benefits receive additional Cost of Living Payments totalling up to £900 in the 2023/24 financial year. We have already delivered the first payment of £301 to 8.3 million households. The DWP has made the 2nd £300 Cost of Living Payment to over 7 million households between 31 October and 7 November (99 per cent of eligible DWP households). £299 will be paid by spring 2024.

For those who require extra support, the Government is providing an additional £1 billion of funding, including Barnett impact, to enable the extension of the Household Support Fund in England this financial year. This is on top of what we have already provided since October 2021, bringing total funding to £2.5 billion.

In England this is being delivered through an extension to the Household Support Fund backed by £842 million, running from 1 April 2023 to 31 March 2024, which local authorities are using to help households with the cost of essentials. It will be for the devolved administrations to decide how to allocate their additional Barnett funding.

Housebuilding is a priority for this Government. The Government has committed to continue working towards its ambition of delivering 300,000 homes per year to help create a more sustainable and affordable housing market.

The Government is driving up the supply of new homes by diversifying the market, investing in affordable housing, and increasing land supply for new homes by investing in infrastructure.

We have announced £10 billion investment in housing supply since the start of this Parliament, with our housing supply interventions due to ultimately unlock over 1 million new homes over the Spending Review 2021 period and beyond. This includes an additional £1.8 billion investment announced at Spending Review 2021, consisting of £300 million locally led grant funding that will be distributed to Mayoral Combined Authorities and Local Authorities to help deliver their housing priorities and £1.5 billion to regenerate underused land and deliver transport links and community facilities.

We have also launched the £1.5 billion Levelling Up Home Building Fund, which provides loans to small and medium sized builders and developers to deliver up to 42,400 homes.

Our £11.5 billion Affordable Homes Programme will deliver thousands of affordable homes for both rent and right to buy across the country. The

Levelling Up White Paper committed to increasing the supply of social rented homes and a large number of the new homes delivered through our Affordable Homes Programme will be for social rent.

A handwritten signature in black ink, appearing to read 'Mims', written in a cursive style.

Mims Davies MP
Minister for Disabled People, Health and Work