



Department
for Work &
Pensions

Ministerial
Correspondence **0207 340 4000**
Caxton House
Tothill Street **www.gov.uk**
LONDON
SW1H 9DA
ministers@dwp.gov.uk

Rt Hon Sir George Howarth MP
george.howarth.mp@parliament.uk

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Dear Sir George,

As you may be aware, your email of 16 April to the Chancellor of the Exchequer on behalf of a number of your constituents about the COVID-19 pandemic and social security benefits has been passed to this Department for reply. I am replying as the Minister for Welfare Delivery and I apologise for the delay in responding to you.

At this moment in time, the Government's top priority is to protect the poorest and most vulnerable in society during the coronavirus outbreak.

Our priority as a Department is ensuring people get their benefit payments and that we can continue to support those who need us the most. We have mobilised our robust business continuity plans to ensure we can do just that. We are already redeploying 10,000 staff from other parts of the Department and are also recruiting additional staff to assist with the processing of claims, including support from other Government departments.

Local Housing Allowance (LHA)

The Government has quickly and effectively introduced over £6.5 billion of measures that benefit those facing the most financial disruption during the current situation. These measures include increasing Universal Credit and Working Tax Credit by £1040 a year for the next 12 months, and a significant investment in the LHA of nearly £1 billion, lifting rates to the 30th percentile from April 2020. This will increase the housing support available for those renting in the private rented sector. This was further to lobbying from homeless charities to increase LHA rates to the 30th percentile.

LHA rates are not intended to meet all rents in all areas. By increasing rates to cover the lowest 30 percent of rents in each area we have made sure that,

during this difficult time, claimants get a reasonable amount of support which is linked to the cost of renting where they live.

The increase in LHA will help alleviate affordability challenges facing benefit claimants in the private rented sector by reducing shortfalls, benefiting over 1 million households who will see an average increase of £600 a year. We have also increased the national maximum caps, ensuring all those rates in central and inner London that are currently capped will receive an increase in housing support.

For those who require additional support Discretionary Housing Payments (DHPs) are available. DHPs can be paid to those entitled to Housing Benefit or the housing element of Universal Credit who face a shortfall in meeting their housing costs.

As announced at the spending round for 2020/21 there is already £180 million in DHPs for local authorities to distribute for supporting renters with housing costs including an additional £40 million to tackle affordability pressures in the private rented sector.

The payments are entirely at local authority discretion, including the amount and duration of any award. Local authorities administer the scheme as they are best placed to make informed judgements about relative priorities and needs in their area to ensure that the most vulnerable are supported and the limited funds are targeted effectively.

I can also advise that the freeze on evictions has been extended by the Ministry for Housing, Communities and Local Government (MHCLG) for an extra two months. More information can be found online at:

www.gov.uk/government/news/ban-on-evictions-extended-by-2-months-to-further-protect-renters

I am continuing to work across Government, including with MHCLG, to build a joined up approach to address the current challenges in housing and find long-term sustainable solutions

Benefit Cap

The Department for Work and Pensions is experiencing significant increased demand, as such the safety and stability of the benefits system must be prioritised.

The national cap of £20,000 is equivalent to gross family earnings of around £24,000. The London cap of £23,000 is equivalent to gross family earnings of around £28,000. Continuing to apply the Benefit Cap means that some claimants will have their benefits limited. However:

- those with household earnings of at least £604 in an assessment period, which can include Statutory Sick Pay, employer sick pay and earnings from self-employment will continue to be exempt from the cap;
- In addition, claimants may benefit from the nine-month 'grace period' where Universal Credit is not capped. This applies to households with monthly earnings of at least £569 in each of the past 12 months either when they first claim Universal Credit or if their earnings reduce below £569 in each assessment period during their Universal Credit claim. (£604 for months/assessment periods from April 2020);
- exemptions will continue to apply for the most vulnerable claimants that are entitled to disability benefits and carer benefits;
- claimants can approach their local authority for a DHP if they need additional support to meet rental costs; and
- Housing Benefit claimants who are entitled to Working Tax Credit will continue to be exempt from the cap.

I hope your constituents will find this reply helpful.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Will Quince', is centered below the text 'Kind regards,'.

Will Quince MP

Minister for Welfare Delivery