



Department
for Work &
Pensions

Minister for Welfare Delivery
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

www.dwp.gov.uk

Stephen Timms MP
timms@parliament.uk

14th December 2020

Dear Stephen,

**The Rent Officers (Housing Benefit and Universal Credit Functions)
(Modification) Order 2020**

I am writing to let you know that we have laid legislation to maintain the increased Local Housing Allowance rate in cash terms. The Local Housing Allowance is the mechanism we use for calculating housing support for tenants renting from private landlords, and is based on local market rates. The Rent Officers (Housing Benefit and Universal Credit Functions) (Modification) Order 2020 has been laid today (14 December) and will come into force on 28 January 2021, modifying the existing Rent Officers Orders. The decision to maintain rates in cash terms was announced by the Secretary of State in her Written Ministerial Statement on 25th November.

This year, in response to Covid-19, we invested nearly £1 billion to lift Local Housing Allowance rates so that they cover the lowest 30th percent of local rents. This has provided 1.5 million claimants with an average of £600 more housing support per year than they would otherwise have received.

Maximum Local Housing Allowance rates, or 'national caps', which only impact a small number of rates in central and inner London, were also increased to equal the maximum rates for outer London plus an additional 20%, and the Order maintains this increase.

Maintaining this significant investment in Local Housing Allowance rates and ensuring that no rates go down in the next financial year will support claimants in the private rented sector to manage housing costs and provide stability during this period of uncertainty.

The rates will be reviewed annually by the Secretary of State in the usual way. I would be happy to discuss should colleagues have further questions. If you have any queries please contact my Private Office on minister.welfaredelivery@dwp.gov.uk

Will Quince MP

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

Minister for Welfare Delivery