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FROM THE BARONESS SCOTT
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25 June 2020

Dear Baroness Prosnett

During the repeat statement on Covid-19: Department for Work and Pensions (DWP) Update on Tuesday 5 May, I am sorry that I was unable to respond to you at the time and I promised to write to you on the Removal of the Spare Room Subsidy policy.

I recognise the impact that overcrowding can have on individuals' physical and mental wellbeing. However, the size criteria used in calculating housing support does not amount to overcrowding. In most cases asking an adult couple or two children to share a bedroom is entirely reasonable and within the expectations of most people.

Overcrowding is, in fact, one of the issues which the Removal of the Spare Room Subsidy policy, which you refer to as the Bedroom Tax, seeks to address. The policy has helped to encourage mobility within the social rented sector and make better use of existing social housing as well as strengthening work-incentives. It also aligns the size criteria rules used in the private rented sector in the social sector.

The policy does allow for the provision of an additional bedroom in certain circumstances, such as to support the needs of disabled people. These rules continue to apply – where a member of a couple or a child is unable to share due to disabilities, they meet the qualifying criteria and are in receipt of a qualifying disability benefit an additional bedroom is allowed.

Additionally, households in receipt of pension age housing benefit are exempt.

I am grateful for your suggestions which I discussed with my officials. The 13-week rent protection applies, in general terms, when a new Housing Benefit (HB) claimant has not had any entitlement in the last 52 weeks and the Local Authority is satisfied that, when it began, the tenancy was affordable for the household. This protection only applies to HB and not Universal Credit (UC). As the majority, if not all, of new claims will be for UC, extending the 13-weeks would have no impact for new claimants.

There are currently no plans to introduce similar rent protections into UC as existed in HB.

UC is a modern, flexible, personalised benefit responding effectively to economic conditions. It replaces six outdated and complex benefits with one – helping to simplify the benefits system, providing support in times of need and making work pay. It simplifies the system, targets

resources at those who need it most, and includes a wide range of additional support that is not offered under the legacy system. People claiming UC move into work faster, stay in work longer and spend more time looking to increase their earnings.

As you mention, benefit entitlement that would otherwise reduce or stop following bereavement can continue for a short time following the death of a household member. However, this measure does not necessarily prevent a deduction under the Removal of the Spare Room Subsidy policy as it would depend on the circumstances before the bereavement. In these cases, entitlement continues as if the person had not died, for 52 weeks if the claim is for HB or, in the case of UC for the assessment period in which the death occurs and the following two assessment periods.

There are no plans to suspend or amend these policies in response to Covid-19.

To support those on low incomes through the outbreak, we have announced a package of temporary welfare measures. Taken together, these measures provide over £6.5bn of additional support through the welfare system for people affected by Covid-19. The standard allowance in UC has been increased by £86.67 per month (equivalent to £20 per week) on top of the planned annual uprating. This additional increase means claimants will be up to £1040 better off.

I understand that despite this significant investment there will be some people who still need extra support. If a claimant needs more bedrooms than the policy allows or their ability to mitigate a shortfall between their housing support and rent has changed as a result of Covid-19, Discretionary Housing Payments (DHPs) are available from local authorities. DHPs can be paid to those in receipt of HB or support with housing costs in UC who face a shortfall in meeting their housing costs. These payments are very flexible and can be considered where, in the local authority's opinion, further financial assistance towards housing costs is required.

Since 2011 we have provided over £1 billion in DHPs funding, enabling local authorities to protect the most vulnerable claimants and for 2020/21 we have allocated £180 million for DHPs.

I hope you find this letter helpful. I will also send a copy to all Peers who spoke during the repeat statement and place a copy in the House library.

BARONESS SCOTT OF BYBROOK

Baroness Bennett of Manor Castle
House of Lords