

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
1 Horse Guards Road
London
SW1A 2HQ

CC: The Rt Hon Thérèse Coffey MP

09 April 2020

Dear Chancellor,

Re: Universal Credit: raising Local Housing Allowance and the benefit cap

We welcome the government's fast movement on this crisis so far. Raising the monthly standard allowance for Universal Credit (UC), relaxing sanctions, and ensuring no one has to attend in-person appointments to receive their payment have been important steps in protecting the many people that will rely on the safety net of social security during this public health emergency.

The government strongly advises people not to move home. Yet the support for rent that is currently provided assumes that people can move home or look for work; both are next to impossible for the time being. With nearly a million new UC claims opened in the space of a fortnight, it is now clear the government should take swift action to ensure that our safety net is wide enough to catch all those who need it. This includes:

- 1. Lifting Local Housing Allowance rates for now to cover the average cost of renting in each local area (the 50th percentile) and**
- 2. Lifting the benefit cap for the course of at least a year to ensure families can access the support they need**

With many losing their jobs and incomes this further action is now needed to ensure huge numbers of people do not emerge from this crisis with unmanageable levels of debt or with uncertainty about the future of their tenancies. Covering only the cheapest 30% of rents makes just three in ten homes affordable in each local area. This leaves the majority of family homes completely unaffordable at a time when it is a public health risk to move home. Given the scale of the challenge we now see, local housing allowance should be lifted to cover the average cost of renting in each area, or the 50th percentile, for the duration of this emergency period.

To ensure families in need can access these new local housing allowance rates, the benefit cap should also be lifted for at least this emergency period. Due to the high cost of housing, even small families are hit by the cap in the majority of England. This is also true of disabled people not in a group that is exempt from the cap. We have already seen the impact this lockdown is having on women in abusive relationships and the benefit cap will continue to be another barrier to them being able to leave abusive relationships and afford their own accommodation.

These measures taken together will ensure the safety net during this unprecedented period is the life raft we need to keep people afloat.

Yours sincerely,

Polly Neate, CEO
 David Cox, CEO
 Paula Stringer, CEO
 Gavin Smart, CEO
 Alison Garnham, CEO
 Mike Thiedke, CEO
 Geoff Fimister, Co-Chair
 Cllr Giles Archibald, Better Lives Portfolio Lead
 Sam Smethers, CEO
 Victoria Benson, CEO
 Rick Henderson, CEO
 Helen Barnard, Deputy Director
 Julie Bishop, Director
 Ben Beadle, CEO
 Deven Ghelani, Director
 John Puzey, Director
 Tim Bissett, Charity Director
 Howard Sinclair, CEO
 Phil Andrew, CEO
 Sam Royston, Director of Policy and Public Affairs
 Thomas Lawson, CEO
 Nicki Norman, CEO
 Mary-Ann Stephenson, Director
 Raji Hunjan, CEO

Shelter
 Association of Residential Letting Agents
 Christians against Poverty
 Chartered Institute of Housing
 Child Poverty Action Group
 Depaul UK
 Disability Benefits Consortium
 District Councils Network
 Fawcett Society
 Gingerbread
 Homeless Link
 Joseph Rowntree Foundation
 Law Centres Network
 National Residential Landlords Association
 Policy in Practice
 Shelter Cymru
 St Martin in the Field
 St Mungo's
 Stepchange
 The Children's Society
 Turn2us
 Women's Aid
 Women's Budget Group
 Zacchaeus 2000 Trust



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