

Dear

**ATISN 25198 – Local Housing Allowance**

Thank you for your request which I received on 29 September. You asked for:

- any information regarding any correspondence between the Welsh Government and UK Government since July 2024 relating to the rates of the Local Housing Allowance.

**Our response**

As referenced in response to [Written Question 95805](#), the Cabinet Secretary for Housing and Local Government sent a letter to the UK Government in February 2025, requesting that the Local Housing Allowance rates be restored to the 50th percentile, with an automatic annual uplift in line with revised rental data. The correspondence is attached below at **Annex A**.

The UK Government responded, and the correspondence is attached below at **Annex B**.

**Next steps**

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,  
Welsh Government,  
Cathays Park,  
Cardiff,  
CF10 3NQ

or Email: [Freedom.ofinformation@gov.wales](mailto:Freedom.ofinformation@gov.wales)

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office,  
Wycliffe House,  
Water Lane,  
Wilmslow,  
Cheshire,  
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely

## ANNEX A

Jayne Bryant AS/MS  
Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai  
Cabinet Secretary for Housing and Local Government



Llywodraeth Cymru  
Welsh Government

The Right Hon. Liz Kendall MP  
Secretary of State for Work and Pensions  
Caxton House  
Tothill Street  
London  
SW1H 9NA

Ein cyf/Our ref: PO/JB00088/25

To: [CAXTONHOUSE.CLERKPRU@DWP.GOV.UK](mailto:CAXTONHOUSE.CLERKPRU@DWP.GOV.UK); [ministers@dwp.gov.uk](mailto:ministers@dwp.gov.uk)  
CC: [psangelarayner@communities.gov.uk](mailto:psangelarayner@communities.gov.uk)  
[Action.CST@hmtreasury.gov.uk](mailto:Action.CST@hmtreasury.gov.uk)

25 February 2025

Dear Secretary of State,

As the Cabinet Secretary for Housing and Local Government, WLGA Housing Spokesperson and Chief Executive of Community Housing Cymru, we are writing to call for the restoration of Local Housing Allowance (LHA) rates to the 50th percentile, with an automatic annual uplift. This is a long-standing position of the Welsh Government.

This approach would greatly assist those in Wales seeking housing in the private rented sector and would help to reduce pressures on Welsh local authority services, including temporary accommodation. It is also one of the single biggest measures which could be taken to support our shared ambition of preventing homelessness – thereby reducing the costs of homelessness on both individuals and public services.

Current pressures on housing and concerns about homelessness in Wales were raised at a recent meeting between the Welsh Government and the Welsh Local Government Association's Housing Cabinet Members network.

This included concerns about the number of people being supported in emergency temporary accommodation. Many councils in Wales are experiencing considerable difficulties in securing a sufficient supply of good quality and affordable homes to enable people to move on from temporary accommodation.

One of the key barriers identified is the very small number of properties in the Welsh private rented sector where market rents are fully covered by LHA rates. This position has become even more acute given significant increases in market rents across all areas of Wales.

The fact that the housing benefit subsidy rates paid for homeless households in temporary accommodation remains linked to 2011 data was also raised. This gap between funding and actual costs puts considerable pressure on local government budgets in Wales and results in a reliance on poor quality accommodation. This in turn compounds negative impacts on individuals and families experiencing homelessness in Wales and consequently increases pressure on wider Welsh public services.

For people placed into non-self-contained temporary accommodation, the housing benefit subsidy is limited to the one-bedroom self-contained LHA rate based on the location of the property. The LHA rates used in the formula to calculate subsidy are set at the January 2011 rates.

For those in self-contained, licensed and short-term lease accommodation, the maximum housing benefit subsidy will be determined by using 90% of the LHA rate for the size of the property, based on the January 2011 LHA rates.

This means Welsh councils are unable to recover a very significant proportion of the costs of temporary accommodation provision. Given the increased numbers of households being supported for lengthy periods in temporary accommodation, this financial shortfall has been identified as an ongoing corporate risk by several councils in Wales.

Restoring LHA rates to the 50th percentile, with an automatic annual uplift in line with the revised rental data, will improve the choice, standard and affordability of accommodation for people on low incomes in Wales. It will also support Welsh councils to fully meet the costs of emergency temporary accommodation for people experiencing homelessness.

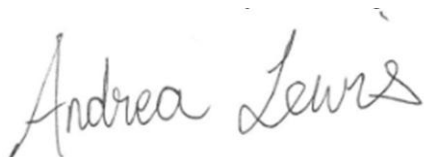
We hope that this conveys the importance of restoring the LHA rates to a level that would have a significant impact on our ability to improve the situation for local authorities and families in Wales.

Yours sincerely,



**Jayne Bryant MS**

Cabinet Secretary for Housing and Local Government



Cllr Andrea Lewis

WLGA Housing Spokesperson



Stuart Ropke

Community Housing Cymru

## ANNEX B



Department  
for Work &  
Pensions

Ministerial  
Correspondence  
Caxton House  
Tothill Street  
LONDON  
SW1H 9DA

0207 340 4000

[www.gov.uk](http://www.gov.uk)

[ministers@dwp.gov.uk](mailto:ministers@dwp.gov.uk)

Jayne Bryant MS      Your ref: PO/JB00088/25  
[Jane.Bryant@assembly.wales](mailto:Jane.Bryant@assembly.wales)

Our ref: MC2025/18020

15 April 2025

Dear Jayne,

Thank you for your joint letter of 25 February to the Secretary of State about restoring the Local Housing Allowance (LHA) rates to the 50th percentile and improving the Housing Benefit subsidy rate that local authorities receive towards the cost of temporary accommodation. I am replying as the Minister of State for Social Security and Disability.

The Government understands that there are financial challenges both for people living in the private rented sector and for local authorities.

The UK Government currently spends around £32 billion annually on housing support for renters. The one-year LHA increase to the 30th percentile of local market rents last year cost an additional £1.2 billion in 2024/25, or approximately £7 billion over 5 years. Setting and maintaining rates at the 50th percentile would come at a substantially higher cost and, as with all policy decisions, we must balance the support we provide with consideration of value for money to the taxpayer.

Turning to the temporary accommodation subsidy that the Department for Work and Pensions provides to local authorities, I am sure you are aware that the Department calculates the rate it subsidises local authorities using 2011 LHA rates from when LHA was set at the 50th percentile of local market rents. Whilst the context has changed since the original policy was

put in place; to incentivise local authorities not to leave people in expensive temporary accommodation, we also need to address the root problem of tackling the supply of affordable housing for low income families.

At the Autumn Budget last year, having looked at the position in the round and with the constraints of a difficult fiscal envelope, the UK Government chose to prioritise a downpayment on poverty by investing £1 billion in extending the Household Support Fund (HSF) and maintaining Discretionary Housing Payments (DHPs) at current levels (including Barnett impacts) for 2025/26. This means DHPs will continue to support vulnerable and low-income customers to meet additional housing costs or temporarily cover rent. In addition, we introduced the Fair Repayment Rate for Universal Credit customers with deductions, which will enable people to retain more of their benefit award.

Reducing homelessness is an important goal for this government. We continue to use stakeholder and cross Government work to keep LHA and TA subsidy under review, including as part of the Ministry for Housing, Communities and Local Government Inter-Ministerial Group on Homelessness and Rough Sleeping.

I know you are aware of the challenging fiscal situation and UK Government's need to prioritise carefully. Future decisions on LHA and Temporary Accommodation subsidy will be taken in the context of the Government's missions and goals on housing, within the current challenging fiscal situation, at the appropriate fiscal event.

With all best wishes,

A handwritten signature in black ink, reading "Stephen Timms". The signature is fluid and cursive, with a horizontal line above the name.

**Rt Hon Sir Stephen Timms MP**  
**Minister of State for Social Security and Disability**