

# DWP Department for Work and Pensions

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Adults Services

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Dear Mr Goldup

Thank you for your letter of 18 December 2007 to Peter Hain concerning Housing Benefit. I have been asked to reply and I apologise for the delay. I am sorry that Peter Hain has not been able to reply to you personally, but I hope you will understand that he receives a great deal of correspondence on a variety of subjects and it is not possible for him to reply to each letter individually.

The Government understands the concerns you have raised regarding the difficulties young homeless people experience when trying to break the 'no home - no job - no home' cycle. The Government continues to work closely with organisations like Foyer to see what more can be done to support vulnerable young people needing a second chance at education.

The Secretary of State recently announced in the *Opportunity, Employment and Progression: making skills work* publication that the Government will consider defining limited exemptions from the '16 hour rule' for specific vulnerable groups who require housing benefit whilst undertaking necessary full time training – such as young people living in supported accommodation. A copy of the publication can be found at <http://www.dwp.gov.uk/welfarereform/making-skills-work.pdf>

Officials across Government are currently considering how they can best meet the needs of vulnerable groups and expect to have proposals developed later this year. The Government is keen to see an early resolution that meets the needs of all concerned, and I trust you will view this as a positive move forward.

I now turn to the issue of Single Room Rents. The Government is very much aware that some stakeholders view the Single Room Rent (SRR) as a source of

hardship for many young people and that they would like to see the Government abolish it.

However, The Government believes that abolishing the SRR would result in single young people on benefit being able to afford a level of housing that their working peers could not. For example, three-quarters of single under-25s not on benefit rent shared accommodation.

The Government believes that abolishing the single room rent would create a situation where those in receipt of Housing Benefit could afford a level of accommodation that they would not be able to maintain were they employed. This could create a situation where young people would not want to work as they would not be able to afford their accommodation if they were not in receipt of benefits. This goes against the grain of everything that Department is trying to achieve in its welfare to work agenda.

In a recent review the Department has identified issues with the workings of the SRR, namely around affordability, accessibility and availability.

However, the introduction of the national Local Housing Allowance (LHA) will address some of these issues by changing the treatment of under 25s through the move to a median LHA rate and the new Shared Room Rate. The latter covers a wider definition of shared accommodation than under the current SRR and will better reflect the range of accommodation available to tenants.

The Department plans to make an initial assessment of the impact of the changes from the LHA and to monitor the SRR as part of the Two Year Review of the LHA.

The SRR does not affect those who are most vulnerable, for example those who are severely disabled, and certain young people leaving care (under age 22) are exempt from the restriction. Those who are in supported accommodation or social housing are also not subject to this restriction.

The Government does not believe it would be appropriate to exempt further specific groups from the SRR. A key aim of the Single Room Rent is to ensure that benefit claimants are in the same position as non-benefit claimants, so that we do not make the transition into work harder than it already is.

Yours sincerely



Edward Leniston