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Rt Hon Thérèse Coffey MP  
Secretary of State for Work and Pensions

By Email: [SECRETARYOFSTATE@dwp.gov.uk](mailto:SECRETARYOFSTATE@dwp.gov.uk)

29 January 2020

Dear Ms Coffey,

I am writing to express disappointment at your Government's uprating decision in relation to Local Housing Allowance (LHA) rates, as set out in the Rent Officers Order 2020 laid on 13th January. Whilst your decision technically brings the 4 year freeze to an end, in practice simply unfreezing rates and allowing them to rise by up to 1.7% does almost nothing to reverse the impacts of the previous four years of cuts.

As you will be aware Rent Service Scotland (RSS) will be publishing LHA rates at the end of January for Scotland, at the same time as rates are published for England and Wales. As can be seen in the Annex attached to this letter, the vast majority of Scottish LHA rates (76 out of 90) will remain below the 30th percentile, with only 4 rates being restored to that level as a consequence of your uprating announcement.

In my role as the Minister with responsibility for housing and for taking forward the Scottish Government's work to tackle and prevent homelessness, I consider it my duty to urge you to do more in this area. In their final report, the Homelessness and Rough Sleeping Action Group (HARSAG) highlighted LHA rates as a particular concern, especially the shared accommodation rate. They concluded that the way LHA is calculated needs to be reformed, raised to the 30th percentile everywhere, as well as being uprated on a regular basis. They also called for the Benefit Cap to be raised and the benefit freeze ended, and for exemptions to the shared accommodation rate to be extended.

It is very disappointing then that across Scotland your plans do nothing to tackle these issues. For example, tenants entitled to only the shared accommodation rate will struggle to find accommodation they can afford; analysis in the Annex shows less than 5% of the Lothian market is accessible to this group with Glasgow not faring much better at 15%. This demonstrates that not only is there a wide raging underfunding across the system as a whole, but across the country people who find themselves in need of support through the welfare system will be exposed to a postcode lottery effect, with some simply unable to find suitable accommodation that they can afford in the private rented sector. The potential

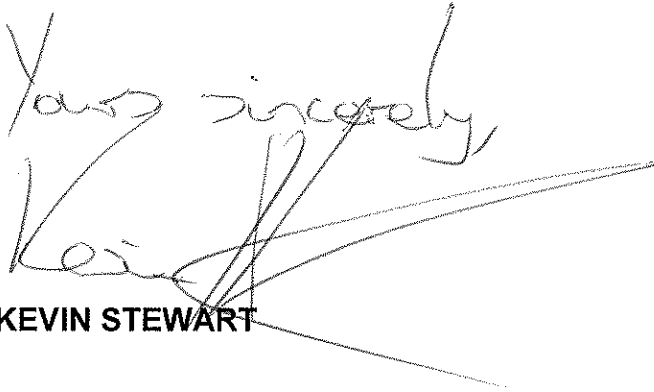
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impacts on household finances, rental arrears and ultimately homelessness are very concerning.

Your plans raise some rates in line with inflation, and others by less than inflation or not at all. The net result must surely be an overall average increase in LHA rates of less than 1.7%– which equates to less than five pounds a week – as little as 40p for some people - hardly the end of austerity that your government promised. The Scottish Government will continue to do what it can to mitigate the worst of these impacts – this year we are spending over £61m on Discretionary Housing Payments to mitigate a range of UK Government policies including the bedroom tax and frozen LHA rates, but what is needed is a multi-year plan for investment at UK Government level that would seek to systematically tackle and reverse the consequences of years of real terms cuts. Research from Crisis shows that such an investment plan could lift more than 35,000 children out of poverty. From my point of view the HARSAG recommendations offer a good place to start, and I would be happy for Scottish Government officials to work with you on this. Only then can we ensure that we have a housing system that is fit for purpose, which offers vulnerable people at risk of homelessness the help they need.

I have copied this letter to the Secretary of State for Scotland.

Yours sincerely,  
  
KEVIN STEWART

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**Table 1 – 2020/21 LHA rates by BRMA and bedroom size, and by whether in line or below 30<sup>th</sup> percentile of market rents.**

BRMA	2020/21 LHA Rates				
	Room	1 Bed	2 Bed	3 Bed	4 Bed
Aberdeen and Shire	£74.79	£97.81	£135.75	£172.60	£230.14
Argyll and Bute	£62.40	£85.66	£105.62	£122.33	£183.06
Ayrshires	£63.76	£80.55	£97.81	£115.07	£159.95
Dumfries and Galloway	£59.84	£82.14	£99.47	£110.10	£131.67
Dundee and Angus	£58.67	£80.59	£105.62	£130.37	£192.28
East Dunbartonshire	£69.58	£99.47	£122.07	£163.11	£225.18
Fife	£62.80	£82.97	£104.30	£122.33	£177.78
Forth Valley	£65.34	£85.34	£105.32	£128.73	£184.89
Greater Glasgow	£69.44	£96.43	£122.07	£139.64	£215.82
Highland and Islands	£61.84	£93.37	£112.60	£129.08	£163.11
Lothian	£71.52	£129.49	£156.90	£195.33	£281.63
North Lanarkshire	£62.26	£81.92	£100.74	£113.02	£170.15
Perth and Kinross	£58.67	£83.80	£107.74	£139.64	£186.58
Renfrewshire/ Inverclyde	£61.02	£80.55	£103.27	£126.58	£194.04
Scottish Borders	£57.93	£73.22	£93.61	£111.48	£145.03
South Lanarkshire	£64.54	£81.92	£105.32	£129.08	£188.55
West Dunbartonshire	£64.37	£86.30	£103.56	£115.86	£172.57
West Lothian	£61.05	£99.75	£123.28	£140.21	£183.52

**Increases to 30<sup>th</sup> PC** = previous 2019/20 rate was below the 30<sup>th</sup> percentile, but the increase of up to CPI allows the 2020-21 rate to move in line with the maximum 30<sup>th</sup> percentile of market rents held on RSS market evidence database.

**Moves to the 30<sup>th</sup> PC** = rate moves to the 30<sup>th</sup> percentile due to a drop in the value of the 30<sup>th</sup> percentile in the rates year.

**Remains at 30<sup>th</sup> PC** = previous 2019/20 rate was in line with 30<sup>th</sup> percentile, and increase of up to CPI allows 2020-21 rate to remain at 30<sup>th</sup> percentile.

**Below 30<sup>th</sup> percentile** = previous 2019/20 rate was below 30<sup>th</sup> percentile, and despite these rates increasing by the full CPI increase of 1.7%, this is insufficient to bring the 2020-21 rate up to the 30<sup>th</sup> percentile.

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**Table 2 – 2020/21 LHA rates as the equivalent percentile of market rents (the proportion of PRS market which can be accessed by a household on the LHA rate).**

BRMA	Room	1 Bed	2 Bed	3 Bed	4 Bed
Aberdeen and Shire	30th	30th	25 to 30th	30th	30th
Argyll and Bute	0 to 5th	25 to 30th	15 to 20th	20 to 25th	20 to 25th
Ayrshires	15 to 20th	30th	30th	30th	30th
Dumfries and Galloway	30th	20 to 25th	20 to 25th	20 to 25th	15 to 20th
Dundee and Angus	20 to 25th	25 to 30th	15 to 20th	15 to 20th	10 to 15th
East Dunbartonshire	25 to 30th	15 to 20th	10 to 15th	10 to 15th	5 to 10th
Fife	15 to 20th	25 to 30th	20 to 25th	15 to 20th	15 to 20th
Forth Valley	10 to 15th	15 to 20th	10 to 15th	10 to 15th	15 to 20th
Greater Glasgow	10 to 15th	5 to 10th	5 to 10th	15 to 20th	5 to 10th
Highland and Islands	0 to 5th	20 to 25th	10 to 15th	10 to 15th	20 to 25th
Lothian	0 to 5th	0 to 5th	0 to 5th	5 to 10th	5 to 10th
North Lanarkshire	15 to 20th	25 to 30th	20 to 25th	30th	20 to 25th
Perth and Kinross	15 to 20th	5 to 10th	10 to 15th	15 to 20th	15 to 20th
Renfrewshire/ Inverclyde	5 to 10th	30th	25 to 30th	30th	10 to 15th
Scottish Borders	15 to 20th	20 to 25th	20 to 25th	15 to 20th	5 to 10th
South Lanarkshire	20 to 25th	15 to 20th	25 to 30th	10 to 15th	15 to 20th
West Dunbartonshire	20 to 25th	30th	30th	15 to 20th	0 to 5th
West Lothian	10 to 15th	5 to 10th	5 to 10th	5 to 10th	10 to 15th

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