

The Rt Hon. Jeremy Hunt MP  
Chancellor of the Exchequer  
1 Horse Guards Road, Westminster  
London, SW1A 2HQ

**Friday 13 October 2023**

Dear Jeremy Hunt MP,

Today, the annual government homelessness statistics show worryingly high numbers of families and individuals are without a home. We write to you as members of the Cover the Cost Coalition to express our grave concern about the impacts of your continued freeze of Local Housing Allowance (LHA) rates.

Ahead of the Autumn Statement, we urge you to restore LHA rates to cover the bottom 30<sup>th</sup> percentile of local rents, as is your stated policy. There is wide consensus that an end to the freeze is now vital if the government is to tackle needless suffering due to record levels of homelessness and destitution.

We are in the midst of a housing affordability crisis:

- [Data from the Office for National Statistics \(ONS\)](#) shows the largest annual percentage increase in rents paid by private tenants since the data series began in 2016.
- Analysis from the [Institute of Fiscal Studies \(IFS\)](#) found just 5% of advertised private rental homes in England were affordable at LHA rates, with this affordability crisis even more acute in large urban areas.
- We are close to a situation where there will no longer be *any* properties that are affordable on LHA rates.

The main driver of homelessness is affordability, so if it's to be tackled, people must at least be helped to afford the cheapest end of the market. At a time of high inflation and rising rents, the LHA freeze is not only resulting in renters of all ages (including thousands in work) losing their homes as their rents rise, it is then leaving them unable to find another, even with the council's help, because there are no available homes that are genuinely affordable. Consequently, there has been a dramatic increase in homelessness and rough sleeping, with the highest number of households homeless in temporary accommodation ever recorded, and a 26% rise in the number of people sleeping rough.

Temporary accommodation systematically damages the life chances of children and young people who are homeless with their families, and rough sleeping is degrading and leads to premature death. Both are highly damaging to health and well-being. The impact of rising homelessness is being felt across the public sector, leading to poorer health and wellbeing outcomes, pushing people further from the labour market and negative impacts on education for the 130,000 children stuck in temporary accommodation.

The Government must urgently restore LHA rates to relieve this pressure and tackle record homelessness at source, allowing people who are struggling financially to find decent accommodation without having to resort to council help:

- [The DWP estimates](#) that restoring LHA rates to the bottom 30<sup>th</sup> percentile for 2023/24 would cost £700 million.

- This is much lower than the growing cost of providing temporary accommodation, which [cost at least £1.6 billion in 2021/22](#).

Unfreezing local housing allowance is the most sensible measure for both the public finances and to allow those struggling financially to afford a home.

We urge you restore local housing allowance rates to tackle homelessness.

Yours sincerely,

Dr Emma Haddad, Chief Executive, St Mungo's

Polly Neate, Chief Executive, Shelter

Anela Anwar, Chief Executive, Z2K (Zacchaeus 2000 Trust)

Tim Bissett, Director, St Martin-in-the-Fields Charity

Jo Carter, Chief Executive, Glass Door Homeless Charity

Balbir Chatrik, Director of Policy and Communications, Centrepont

Graeme Cooke, Director of Insight and Policy, Joseph Rowntree Foundation

Matt Downie, Chief Executive, Crisis

Joanna Elson CBE, Chief Executive, Independent Age

Denise Hatton, Chief Executive, YMCA England & Wales

Kate Henderson, Chief Executive, National Housing Federation

Rick Henderson, Chief Executive, Homeless Link

Sylvia Ingmire, Chief Executive, Roma Support Group

Dan Paskin, Director of UK Impact, Save the Children UK

Emma Revie, Chief Executive, Trussell Trust

Cllr Darren Rodwell, Chair of Local Infrastructure and Net Zero Board, Local Government Association

Gavin Smart, Chief Executive, Chartered Institute of Housing

Ben Twomey, Chief Executive, Generation Rent

Sian Williams, Chief Executive, Switchback

Note: The Cover the Cost coalition is a group of organisations working in poverty and housing calling on the Government to stop more people from becoming homeless by ensuring Local Housing Allowance will cover the cost of rents.