# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Discretionary Housing Payments** |
| **DATE**  | **08 April 2022** |
| **BY** | **Julie James MS, Climate Change Minister** |

I have once again called on the UK Government to reinstate its funding for Discretionary Housing Payments (DHP) following another round of substantial cuts to this valuable source of funding.

Discretionary Housing payments are used by local authorities to mitigate the impacts of other welfare reforms including helping people affected by the benefit cap, local housing allowance changes and the bedroom tax.

These payments help prevent tenants from getting into rent arrears and at a time when people are facing a cost of living crisis and private rents are increasing it is impossible to fathom why the UK government has seen fit to inflict such savage cuts.

The reduction in DHP funding available to Welsh local authorities in this financial year, amounts to approximately a 27% cut - £2.3 million - compared to 2021-22.

This follows a previous reduction in 2021-22 by the UK Government of £1.8m (18%) compared to the previous financial year.

The Welsh Government topped-up this fund last year by £4.1m to mitigate the reduction in recognition of the importance of this fund, particularly in the context of COVID and other household financial pressures.

I had hoped the UK Government would increase the funding available to local authorities, especially as it continues to freeze Local Housing Allowance and the financial pressures families are experiencing, caused by the current cost of living crisis.

I have this week written to the Secretary of State for Work and Pensions once again outlining the evidence used by rent officers for setting the LHA rates will be three-and-a-half years out of date by March 2023 and therefore does not take account of the very significant increases in rent levels in some areas.

These two factors alone are creating a huge affordability issue for renters. A reduction in DHP support from the UK Government will exacerbate the plight of those already experiencing the cost of living crisis and inevitably lead to further hardship and eviction, with the enormous impact on people’s mental and physical health that this brings with it.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Senedd returns I would be happy to do so.