



The Rt Hon. Dr. Thérèse Coffey MP
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Caxton House
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Copy: Will Quince MP

18 February 2021

Dear Secretary of State,

I am writing to you as chair of the Private Rented Sector Resilience group; an advisory group to the Scottish Government, established as part of the emergency response to the COVID 19 pandemic. The group informs the Scottish Government and makes recommendations about key concerns within the Private Rented Sector (PRS).

A primary focus of the group is ensuring that private renters can sustain their tenancies, despite any loss of income they have suffered as a result of the pandemic. Research from Shelter Scotland, one of the group's members, shows 28% of Scottish renters and mortgage-holders have had to cut back on spending, with 20% leaving the heating off in cold weather and 1 in 10 skipping meals.

Pre-pandemic there were already large numbers of low-income households living in the PRS in Scotland. In March 2020, of the 70,000 families living in the sector, 52% were in receipt of housing support - housing benefit or the housing element of Universal Credit (UC)¹. We know that the number of people claiming UC in Scotland has doubled between January 2020 and January 2021 and group members welcomed the measures that your Government took in March 2020, such as uplifting Universal Credit by £20 a week, and raising Local Housing Allowance to cover the lowest 30% of market

¹ Department for Work and Pensions (2020) [StatXplore](#)



rents in an area. Social security will be helping many PRS tenants to pay rent, sustain their tenancies and avoid homelessness and destitution.

However, the UK's social security safety net is not serving tenants as well as it could during this crisis, and proposed changes would leave people worse off, just when they need most support. I am writing to ask that you take further steps to support people whose finances have been negatively affected by the pandemic. This would protect tenants from eviction and ensure landlords do not struggle because of tenants finding rent temporarily unaffordable, even with social security support.

I set out the changes sought below:

1. Make the £20 a week uplift to Universal Credit permanent.

The £20 uplift to Universal Credit which your Government brought in at the start of the pandemic has been a lifeline to many low-income households during these uncertain times and has allowed people struggling with loss of income to keep their heads above water. However, as the financial impacts of this pandemic are likely to be felt for a very long time, we are now asking that this uplift be made permanent from April 2021.

The Joseph Rowntree Foundation (JRF) has predicted that removing the uplift of £20/week will result in 16 million people across the UK losing £1,040 a year, which will cause significant hardship for people on low income. The JRF has stated that removing this extra £20 a week will result in 700,000 more people across the UK being pulled into poverty, including 300,000 children. Alongside this 500,000 more of those already in poverty will be plunged into deep poverty (more than 50% below the poverty line)².

By making the £20 uplift to Universal Credit permanent, the UK Government will protect hundreds of thousands of people from further financial hardship, and help them to better afford their rent, and remain in their homes.

2. Keep Local Housing Allowance in line with rents

The increase of Local Housing Allowance (LHA) to cover the lowest 30% of market rents (or 30th percentile) was a very welcome step in your

² Joseph Rowntree Foundation (2020) [Joint open letter to the Chancellor](#)



Government's response to the pandemic. It has undoubtedly allowed many renters to stay in their homes during these uncertain times, without building up rent arrears. However, we have serious concerns about the recent announcement that LHA will be frozen at its current rate over the next five years.

This will mean that as rents increase over time, the frozen LHA rates will fall below the 30% of cheapest local rents, gradually making more of the PRS unaffordable to people in receipt of LHA. We are asking for the decision to freeze local housing allowance to be reversed, and for it to be kept in line with local rents going forwards. This will ensure that 3 in 10 private rented properties in an area remain affordable to households on low income, enabling these tenants to avoid a build-up of rent arrears and the threat of eviction.

3. Lift the benefit cap

Prior to the coronavirus pandemic, many households were already struggling to make ends meet because of the benefit cap. In February 2020 there were 1,750 households in Scotland that had had their Universal Credit capped. The latest figures show that the number of capped households in Scotland had risen to 5,050 households – an increase of 3,300 households since the start of the pandemic³. Of these capped households, 4,960 of them – or 98% – were households with children.

The benefit cap has caused severe hardship for families in Scotland, as well as stress and anxiety over the financial strain. It is currently undermining the work on social security that the UK Government has done to alleviate financial hardship as a result of the pandemic. The Child Poverty Action Group (CPAG) estimate that removing the benefit cap will lift 50,000 children across the UK out of poverty, and a further 100,000 children would be pulled out of deep poverty. CPAG has also calculated that the cost to lift the cap would be £500m, which is less than the amount spent on the Eat Out to Help Out scheme. We are therefore asking you to lift the benefit cap to allow low-income families in Scotland to receive the amount of financial support that they need to stay afloat and stay in their homes.

³ UK Government (2020) [Benefit Cap Statistics](#)

Citizens Advice Scotland

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Sincerely,

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Chair of PRS Resilience Group

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