



Department  
for Work &  
Pensions

Ministerial  
Correspondence  
Caxton House  
Tothill Street  
LONDON  
SW1H 9DA

[www.dwp.gov.uk](http://www.dwp.gov.uk)

[ministers@dwp.gsi.gov.uk](mailto:ministers@dwp.gsi.gov.uk)

Mr Damian Eaton  
Stockport Metropolitan Borough Council  
Town Hall  
STOCKPORT  
Cheshire  
SK1 3XE

Your Ref: DE

Our Ref: TO/14/15707

1 October 2014

Dear Mr Eaton

Thank you for your recent correspondence to the Secretary regarding the removal of the spare room subsidy. Government Ministers receive a large volume of correspondence and they are unable to reply personally on every occasion. We have been asked to respond.

I welcome Stockport Council's proactive approach to supporting tenants affected by the removal of the spare room subsidy.

I must stress that the removal of the spare room subsidy remains Government policy and we do not support the proposed amendment by this Private Member's Bill. Changes to Housing Benefit were necessary to curtail the spiralling Housing Benefit Bill. The removal of the spare room subsidy makes an important contribution to this and is a key part of the Government's deficit reduction strategy, with annual savings of around £500 million in 2013/14 and 2014/15.

This policy introduces fairness to the system by applying the same size criteria when calculating Housing Benefit and housing costs in Universal Credit, regardless of whether the claimant is renting in the private or social rented sector. It also provides fairness to hard working families by setting clear transparent limits to the level of support that taxpayers provide to people on low or no income, as all claimants must make similar decisions relating to affordability.

The Government recognises that the period of transition for this policy may take time with some vulnerable people requiring extra help and has provided increased Discretionary Housing Payment funding of £345 million since April 2013 to the end of the spending review period.

This increased the funding available for 2013/14 to £180million, including £20 million set aside in a reserve fund, which despite being available to all local authorities via a bidding scheme was significantly under-subscribed.

In the 2013 Autumn Statement the Government announced an additional £40 million Discretionary Housing Payment funding for both 2014/15 and 2015/16 to ensure that the support available nationally to people affected by the removal of the spare room subsidy will be maintained for a further two years, allowing local authorities to provide longer term awards where appropriate, for example where a property has been significantly adapted to meet a disabled person's needs.

This important policy not only contributes to the containment of Housing Benefit expenditure, but also introduces greater mobility within the social rented sector, improves work incentives for working age claimants and encourages social landlords to make better use of available social housing stock.

The Secretary of State will continue to vigorously support this policy and to resist the proposals put forward in this private member's Bill.

Finally, with regards to your penultimate bullet point about building of more houses to resolve the shortage of social housing, this issue falls within the remit of the Department for Communities and Local Government.

Yours sincerely

Ministerial Correspondence Team