



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

Date: Tuesday 14 November 2023

Dear Chancellor of the Exchequer,

Ahead of the Autumn Statement, we are writing to seek your support in tackling the growing homelessness crisis.

London faces the most severe homelessness challenges in the country. One in 50 Londoners is currently homeless and living in temporary accommodation – including at least one homeless child in every London classroom.

As a cross-party group, we are calling for an end to the freeze on Local Housing Allowance (LHA) rates. One in seven London private renters rely on LHA to cover their housing costs, but LHA has fallen far behind fast-rising rents in the capital.

London Councils recently commissioned independent research revealing that 60,000 Londoners living in the private rented sector are set to become homeless in the coming years if the LHA freeze is maintained. This would come on top of London's already enormous and unsustainable homelessness figures.

However, the analysis shows that restoring LHA to cover at least 30% of local market rents would help these private renters avoid homelessness and thereby save the public finances in the capital more than £100 million each year. Most of these savings would come from reduced pressure on London boroughs' homelessness services.

There are additional wider benefits to public services associated with raising LHA, including improved health from better accommodation conditions and reduced pressures on the criminal justice system. A high-level estimate implies that the wider benefits generated from an uplift to LHA from London alone could be in the region of £1.2 billion. Taken together with the estimated savings to the public purse, the total benefit of ending the freeze is likely to be greater than the estimated cost.

London boroughs share the government's commitment to tackling homelessness. Increasing LHA is the single fastest way that the government could help reverse the deeply concerning rise in homelessness in London, and across the country, and relieve the massive pressure building on councils' homelessness services.

Just as the government boosted LHA at the height of the Covid-19 pandemic to avoid mass homelessness, we need a similar level of national policy response to the emergency situation unfolding today.

Yours sincerely,



Cllr Darren Rodwell  
London Councils' Executive Member for Regeneration, Housing and Planning  
(Labour)



Cllr Lynne Hale  
London Councils' Shadow Lead for Housing (Conservative)



Cllr Jim Millard  
London Councils' Shadow Lead for Housing (Liberal Democrat)