

Lord Freud  
Minister for Welfare Reform  
Department for Work and Pensions  
4<sup>th</sup> Floor  
Caxton House  
Tothill Street  
London  
SW1H 9NA

7 September 2015

Dear David,

**The Social Security (Housing Costs Amendments) Regulations 2015**

The Social Security Advisory Committee scrutinised the above regulations at its meeting on 2 September. After careful consideration the Committee concluded that it would not take the draft regulations on formal reference, but we do have some concerns that we wanted to draw to your attention.

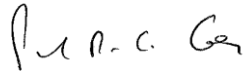
The Committee's main comment relates to the evidence on which the policy of reverting to a 39 week waiting period before support for mortgage interest (SMI) becomes available was based. The likelihood that fewer claimants overall might now face adverse consequences than at the height of the recession does not mean the effects for those individuals where there is an impact will be any less real.

So, while we were pleased to receive assurances from the Department that there is little evidence that property re-possession is likely to increase as a result of this measure, there seemed to be no data being collected or other evidence available on other impacts on certain categories of claimants and their families which might nonetheless result. For example, the degree to which people may become reliant on payday lenders or additional support from friends and relatives remains unclear. Equally there is no evidence about potential regional variations or impacts, or any analysis on the flows on and off such support.

We understand that a significant proportion of those reliant upon SMI support are likely to have a disability or an illness that means they are less able to find suitable employment. This group will almost inevitably include vulnerable claimants, and therefore the absence of a strong evidential basis which can inform a more thorough evaluation of the impact is disappointing.

We understand the Department will be bringing further secondary legislation to this Committee in due course to give detailed effect to the more radical proposals for Loans for Mortgage Interest which form part of the Welfare Reform and Work Bill. We strongly urge the Government to put arrangements in place for a robust gathering of relevant data so that this information-gap can be addressed and help inform the scrutiny and evaluation of this further legislation at both primary and secondary levels.

I would be very happy to discuss further if you would find that helpful.

A handwritten signature in black ink, appearing to read 'Paul Gray'.

Paul Gray  
Committee Chair