Dear Meg

I write in connection with your recent report on Universal Credit.

The Blackpool Pride of Place Partnership is a group of leaders from the public, private and voluntary sectors committed to tackling Blackpool’s challenges and seizing its opportunities.

Blackpool has the greatest concentration of deprivation in England. The inner area is made up largely of privately rented Houses in Multiple Occupation, nearly all of which house people on Universal Credit / Housing Benefit. Many have been converted from the thousands of former guest houses in the town. Recent analysis showed 8,000 people migrating into the town each year of which around 80% were new Housing Benefit claimants. The housing in the inner area is often of poor quality – we would argue that we have a privately owned, publicly financed slum.

In our view the way that Local Housing Allowance is calculated is contributing to this situation, applying the market rents for better homes in other areas and paying those levels for poor quality homes in an area without a properly functioning rental market. There is also currently no link between the payment of public subsidy and homes demonstrating that they meet basic minimum standards. This means that property investors looking for high returns from minimal investment in cheap properties continue to proliferate, compounding deprivation and poor life chances.

The attached prospectus gives more detail on our plans for Blackpool but we would in particular be grateful for your focus on the anomaly of the way that housing benefit - which is paid at too high a level for the quality of accommodation - both incentivises landlords to attract as many people as possible with complex needs, thus treating Blackpool as a sink estate for the nation, and wastes public money.

Best wishes,

Baroness Jo Valentine