



Together  
we will end  
homelessness

# Cover the Cost:

## Crisis' campaign to restore Local Housing Allowance rates to prevent homelessness

### What is the Cover the Cost campaign?

Crisis is calling on the UK Government to restore Local Housing Allowance rates to cover the cost of rent and stop more people becoming homeless.

Losing a private tenancy is one of the most common reasons people become homeless. People who have low-paying jobs, or an unexpected fall in income after redundancy or illness, are becoming homeless because housing support through Universal Credit has fallen way below rents across most of Britain.

Our research with the Chartered Institute of Housing shows that cuts to Local Housing Allowance, which helps people pay rent under Universal Credit, mean that in 92% of areas in Britain single people, couples, or small families who need this support can afford just one fifth or less of local private rents. This is putting thousands at risk of homelessness as they face impossible choices between paying the rent or paying for food and bills. When the pressure becomes too much, people fall into rent arrears and homelessness.

Solving this crisis in the long term means building more social homes, but until supply meets demand, people on low incomes can't continue to bear the brunt.

### What is Local Housing Allowance (LHA)?

The housing benefit Local Housing Allowance, which is part of Universal Credit, was created to help people pay their rent until they get back on their feet.

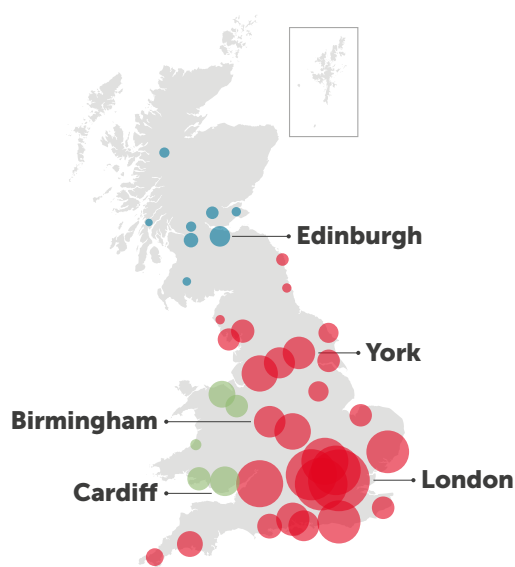
When introduced, Local Housing Allowance covered 50% of local rents. In 2011 this was reduced to 30%. In 2012, the link between the rates and local rents was broken, so they increasingly fell short of covering the bottom 30% of rents. Local Housing Allowance rates were then completely frozen for four years from April 2016.

### Why are we campaigning?

The upcoming Spending Review, where the Chancellor announces new public services and investment plans for the following years, is the best chance to secure reinvestment in Local Housing Allowance rates. This will have an immediate impact on preventing and ending homelessness until enough social housing is built, and ensure Universal Credit effectively prevents homelessness. This is key for Government to progress its commitments to reduce homelessness and end rough sleeping by 2027.

Our research with the Chartered Institute of Housing shows that 97% of areas in England, 82% in Wales and 67% in Scotland, just one-fifth or less of private rents are affordable within Local Housing Allowance

rates to either single people, couples or small families. Research by the Manchester Metropolitan University for the Residential Landlords Association found the Local Housing Allowance freeze is driving homelessness from the private rented sector. The findings show the freeze not only threatens renters with potential eviction as they struggle to pay their rent, but also limits what people can afford when they are looking for accommodation once evicted, resulting in homelessness.



### Areas with the biggest gaps between LHA rates and local private rents

Councils report that it is increasingly difficult to support people experiencing homelessness into homes in the private rented sector, which is used due to a lack of social housing. Research in England by the Local Government Association found that 86% of responding councils identified private sector affordability as a barrier to housing people. This has led to increased use of temporary accommodation costing councils nearly £1bn a year.

As more people on low incomes live in the private rented sector, we cannot afford to let this housing affordability crisis continue.

### What needs to happen?

Crisis is calling for Local Housing Allowance rates to be restored so that they cover at least 30% of local rents in the private rented sector. This will immediately reduce the risk of homelessness for people renting privately who are struggling to pay their rent. It will also mean councils can help end people's homelessness

by finding them affordable privately rented accommodation, instead of sustaining their homelessness in expensive, and sometimes unsuitable, temporary accommodation.

In the long term, we want to see more affordable homes built at social rents for people experiencing homelessness or at risk. This will mean people will be able to keep up with their rent when they move into work and receive less, or no support from Local Housing Allowance.

However, building enough affordable housing takes time. We need to make the private rented sector affordable now to support people into stable homes and jobs, and prevent homelessness from happening in the first place.

### What can you do to help?

We need to demonstrate public support to our politicians that this should be a top priority in the upcoming Spending Review. You can add your voice by signing up to support our **#CovertheCost** campaign to prevent many more from becoming homeless at [www.crisis.org.uk/coverthecost](http://www.crisis.org.uk/coverthecost).

You can also get involved by sharing the campaign video on social media and asking your friends and family to join too.

This is just the start, so look out for future campaign updates in the run up to autumn.

### Suggested tweets:

Take action now to prevent homelessness – join [@Crisis\\_UK](https://twitter.com/Crisis_UK) campaign calling on Government to restore Local Housing Allowance to stop more people becoming homeless [#CovertheCost bit.ly/2VtaRIA](https://bit.ly/2VtaRIA)

Everybody deserves a stable affordable home – that's why we're supporting [@Crisis\\_UK](https://twitter.com/Crisis_UK) campaign calling on Government to [#CovertheCost](https://bit.ly/2VtaRIA) of rent and to stop more people becoming homeless [bit.ly/2VtaRIA](https://bit.ly/2VtaRIA)

For more information about how to get involved please contact:

**Sorana Vieru, Senior Campaigns Officer**  
[Sorana.Vieru@crisis.org.uk](mailto:Sorana.Vieru@crisis.org.uk) / 020 7426 3833