

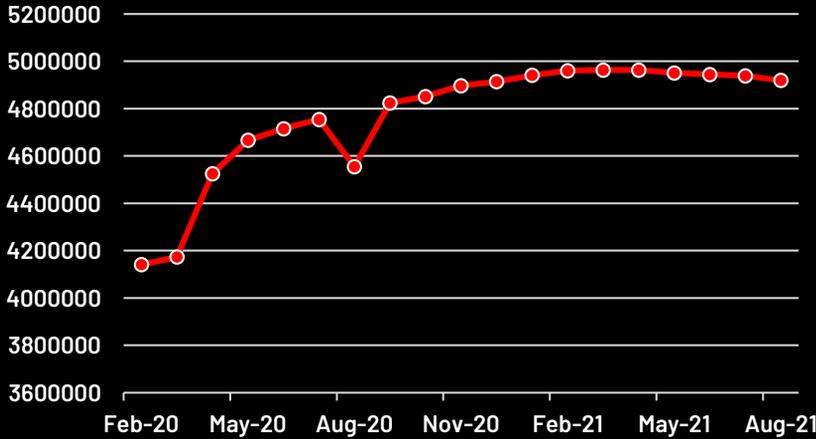
Millions still need housing benefit despite end to pandemic restrictions

New statistics show total households claiming state support to pay the rent remains 19% higher than before the pandemic

1

4.9 million households relying on housing benefit

4.92 million households claimed housing benefit (Universal Credit housing element or legacy housing benefit) in August 2021. Over the pandemic, the number of private renters claiming increased by 39% to 1.94 million and the number of households in social housing increased by 8% to 2.93 million. Even as legal restrictions were lifted in July 2021, the number of households claiming remained higher than during the second national lockdown in November 2020.



778,000
more households claiming support in August 2021 than before the pandemic

Total households claiming housing benefit (UC HE and HB)

2

Housing benefit isn't fit for purpose

35% of all private renters now receive housing benefit according to new Shelter analysis. But the amount people can claim (known as the Local Housing Allowance (LHA)) is only supposed to cover homes up to the cheapest 30% of the local market. So there are simply more households claiming housing benefit than there are homes available at rents affordable to those receiving support.

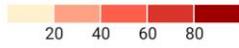
30% private rents covered by Local Housing Allowance



35% private renters in England receiving housing benefit

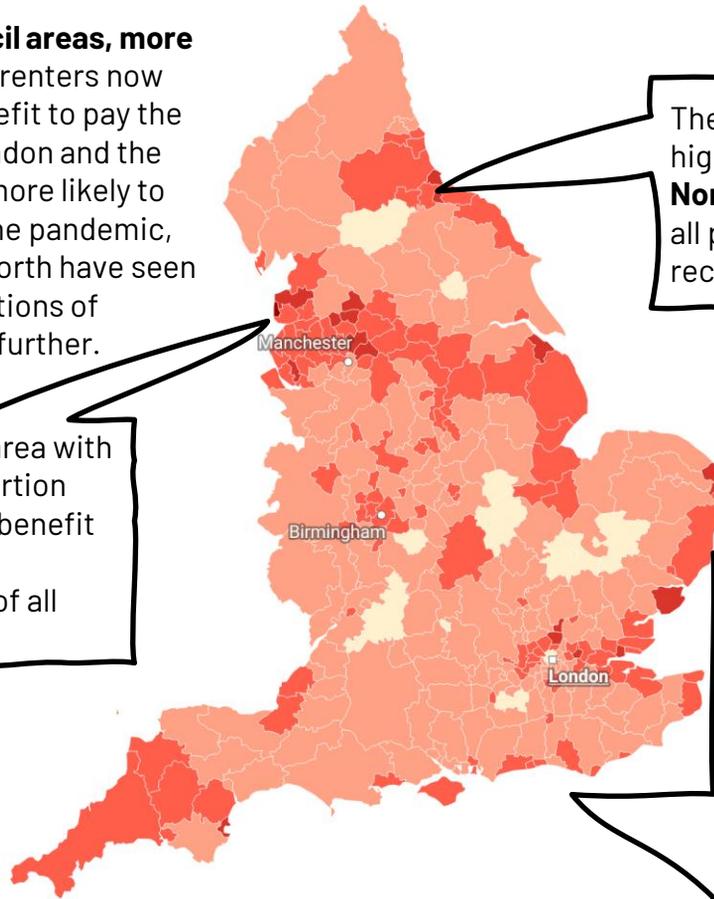
3 Majority of renters claiming support in 1 in 5 areas

Percentage of private renting households claiming housing benefit by local authority, August 2021



In **1 in 5 (18%) council areas**, more than half of private renters now rely on housing benefit to pay the rent. Renters in London and the South East are far more likely to claim than before the pandemic, while parts of the North have seen already high proportions of claimants increase further.

Blackpool is the area with the highest proportion claiming housing benefit in England- an astonishing **88%** of all private renters



The English region with the highest proportion is the **North East**, where **43%** of all private renters are in receipt of housing benefit.

Towns across the country with a majority of renters claiming housing benefit, include **Burnley, Lancashire (66%)** and **Crawley, Surrey (54%)**. Explore a zoomable version of this map [here](#).

Map: Shelter • Source: DWP Statexplore • Map data: © Crown copyright and database right 2021 • Created with Datavrapper

4 Support not keeping up with rising rents

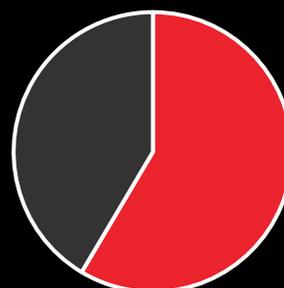
In 2021, the government froze the Local Housing Allowance (LHA) rate that determines the amount of housing benefit people can claim at March 2020 levels. With rents rising, gaps are opening up between rents and housing benefit, and LHA no longer covers the cost of a modest 2 bedroom home in 58% of England.

2 bedroom homes



- Areas where LHA covers lowest 30% of rents
- Areas with shortfall between LHA and lowest 30% of rents

3 bedroom homes



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Restore and re-link support

In the Autumn budget, the government announced that LHA rates will remain frozen at March 2020 levels until at least 2023. With 1.9 million private renters now relying on housing benefit and rents rising across England, many more people will find a gap between the support they are entitled to and the cost of their home. We risk sliding back towards the situation before the pandemic, when LHA failed to cover the cost of a modest home in 97% of England. This will hamper efforts to prevent homelessness for families hit by the economic effects of the pandemic and rising cost of living.

The government must **restore LHA** to at least the 30th percentile of local rents and **re-link LHA rates** to the market to prevent shortfalls from opening up again.

Sources

Numbers of households claiming legacy housing benefit and the housing element of Universal Credit are from DWP, Statexplore, accessed November 2021. Comparisons to before the pandemic compare statistics from August 2021 with figures from February 2020.

The proportion of private renters claiming housing benefit is an estimate derived from combining administrative data from the DWP with population estimates published by MHCLG (the English Housing Survey), and by the Office for National Statistics (ONS). We have adjusted the total number of private rented households in England and each region to account for the number of adults living in households (such as multiple single adults or multiple families sharing a home) where more than one welfare claim could be made. This number is calculated using English Housing Survey data. We introduced this method in September 2021 so these estimates should not be compared to Shelter publications from before that date.

Population estimates for local authorities are derived from ONS, Subnational households by tenure estimates, Table 1a Count of households by tenure by local authority district, England, 2012–2019 <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationalestimatesofhouseholdsubtenureengland>, published May 2021. We have adjusted the total number of households in each local authority area using the regional proportion of households where multiple welfare claims could potentially be made and the regional average number of adults living in such households using data from the English Housing Survey 2016–18.

Local Housing Allowance and 30% percentile rents are taken from Valuation Office Agency, 'Local Housing Allowance (LHA) rates applicable from April 2021 to March 2022', <https://www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2021-to-march-2022>.

Private rents in England rose by 1.5% over the year to October 2021. ONS, [Index of Private Housing Rental Prices, UK: October 2021](#).

Pre-pandemic LHA shortfall taken from Stephanie Kleynhans and Jenny Pennington, [LHA Impact Assessment: The effects of the reforms since 2011](#), March 2020.