



FROZEN OUT OF A HOME

**Why the government must unfreeze local housing allowance,
to help a record number of families out of homelessness in
damaging temporary accommodation**

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CHARLIE BERRY AND DEBORAH GARVIE

SUMMARY

It's vital in the Autumn Budget on 26 November, the government listens to families experiencing homelessness and with children living in poverty.

It must unfreeze Local Housing Allowance and restore it to cover at least the cheapest 30% ('30th percentile') of private rents.

- **The government has promised to break down the barriers to opportunity via a cross-government strategy to end homelessness and an ambitious strategy to reduce child poverty. It's now urgent the record number of children are helped out of damaging temporary accommodation as quickly as possible. Every month takes more of a toll.**
- Local housing allowance (LHA) rates sets the amount of housing benefit that people can claim to afford a private rented home. So, rates have a direct impact on whether families stuck homeless in damaging temporary accommodation can access a private tenancy.
- A big increase in genuinely affordable social rent homes, where rents are tied to local incomes, is the only way to end our housing emergency for good. But the severe shortage of social rent homes means many households currently have to rent from a private landlord to avoid homelessness.
- Families with children, who need to rent a family-sized home (e.g. two or three bedrooms) can really struggle to afford private rents. Especially lone-parent families with only one income, who compete with two-income households or sharers.
- **Our new analysis reveals over half of (55%) 840,256 families with children who rent privately claim housing benefit or Universal Credit housing element. So, if it doesn't cover the cost of rents, it's very difficult for families to leave damaging temporary accommodation.**
- LHA is supposed to cover only the cheapest 30% of local private rents. This was an austerity measure introduced in 2011. It previously covered the cheapest half. A series of freezes since has repeatedly broken the link between LHA and the real cost of renting.
- LHA was last reset in April 2024 (based on rents from October 2022–September 2023). The government has kept LHA rates frozen at this level for 2025/26. This makes it inadequate because in the past two years private rents have rapidly increased rapidly.
- There are now a record 131,140 households stuck homeless in damaging temporary accommodation. Most (63% or 83,150) are families, including a record 169,050 children. In 2024/25 local councils in England spent a total of £2.8 billion on temporary accommodation. This is a 25% increase in one year and has more than doubled (118% increase) in the last five years, often to large private providers charging exorbitant nightly rates.

THE PROBLEM

Record number of families stuck homeless in temporary accommodation

Latest government statistics show a record 131,140 households stuck homeless in damaging temporary accommodation in England. Most (63% or 83,150) are families, including a record 169,050 children.¹

Our recent analysis shows lone-parent families are almost four times more likely than other families to be homeless or at imminent risk of homelessness in England.² Government statistics show over half (56% or 46,610) of families in temporary accommodation are headed by lone parents.

Our recent analysis shows Black-led households are 12 times more likely to be stuck in temporary accommodation than White-led households.³

Temporary accommodation puts children's health and safety at risk

Between 1st April 2019 to 31st March 2024, 74 children have died with temporary accommodation as a contributing factor to their vulnerability, ill-health, or death. Of these 74 children, 58 were under the age of 1.⁴

Our large-scale research revealed the shocking conditions and impact on children of temporary accommodation. Three-quarters (75%) of households live in poor conditions, including one in five (21%) with a safety hazard. More than one in three (35%) parents say their children don't have their own bed. Almost six in ten (57%) parents report a negative impact on their children's physical or mental health.⁵

Temporary accommodation causes child poverty and undermines work

Accommodation costs are usually higher in temporary accommodation than other rentals, as are basic living costs.

Our research found almost nine in ten (87%) households struggle to keep up with the costs of their temporary accommodation. More than one in four (27%) had to reduce their working hours and one in ten (11%) had to stop work completely due to the impact of temporary accommodation.

The cost of temporary accommodation has spiralled

In 2024/25 local councils in England spent a total of £2.8 billion on temporary accommodation. This is a 25% increase in one year and has more than doubled (118% increase) in the last five years.⁶

One third of the total (£844m) was spent on emergency B&Bs and hostels, which are legally unsuitable for families, due to sharing toilets, bathrooms and kitchens. 40% of total (over £1bn) was spent on privately managed, self-contained accommodation charging exorbitant nightly rates. This is a 79% increase, the biggest increase in spending in one year. 'Self-contained' can mean a family in one, cramped room.

The Local Government Association warned last December that frozen LHA rates have burdened councils in England with over £700 million in unrecoverable costs over the past five years.⁷

THE CAUSE

Severe shortage of social rent homes

The severe shortage of social rent homes means many households face a very long wait to access one.

This means, to avoid homelessness and temporary accommodation, they currently have to rent from a private landlord. But most families need financial support from the government to afford a suitable private rented home.

New analysis shows families rely on local housing allowance to afford private rents

Our new analysis shows over half (55%) of all families with children renting privately rely on housing benefit to pay the rent – compared to around one in three private renters overall.⁸

But because it's frozen, it's often inadequate to afford a suitable home

Housing benefit ought to be a lifeline to help households get out of temporary accommodation and into a private rented home. But with local housing allowance rates frozen and lagging behind rents, it is very challenging for families to escape homelessness.

Analysis by Crisis and Zoopla shows fewer than 3 in 100 advertised homes for rent in England are affordable within LHA rates.⁹ This makes it extremely difficult for families relying on housing benefit or universal credit who need to move to find a new affordable home.

As a result, families are pushed towards homelessness and, once homeless, get stuck in temporary accommodation for months and years because they can't access a suitable and affordable private rented home.

Families are stuck in damaging accommodation often for years, while childhoods pass by. More than two thirds (68%) of families have spent a year or more living in temporary accommodation. Black-led households are more than twice as likely to have been in temporary accommodation for over five years, than White-led households. 18% of Black-led households in TA have been there for this length of time, compared to just 8% of White-led households.

THE SOLUTION

Autumn Budget: unfreeze and restore LHA to tackle rising homelessness

It's vital in the Autumn Budget on 26 November, the government listens to families experiencing homelessness and with children living in poverty. It must unfreeze Local Housing Allowance and restore it to cover at least the cheapest 30% (30th percentile) of private rents.

The government has promised to break down the barriers to opportunity via a cross-government strategy to end homelessness and an ambitious strategy to reduce child poverty.¹⁰

It's now urgent that the record number of children are helped to get out of damaging temporary accommodation as quickly as possible. Every month takes more of a toll.

The Chancellor faces a clear choice at this Autumn's Budget on 26 November: whether to retain the freeze, leaving local housing allowance rates tied to rental data from 2022-23 for yet another year.

Retaining the freeze will inevitably result in higher spending for local government on temporary accommodation, as it becomes harder for local authorities to prevent or relieve homelessness via a private rented sector offer.

Families at risk of homelessness can afford to rent privately while more genuinely affordable social homes are delivered

A big increase in genuinely affordable social rent homes, where rents are tied to local incomes, is the only way to end our housing emergency for good.

In the spending review (June 2025), the government made a welcome commitment to invest £39bn over 10 years in a new Social and Affordable Homes programme. The new homes for social rent built with this investment will end the cycle of homelessness and insecure housing for thousands of families.

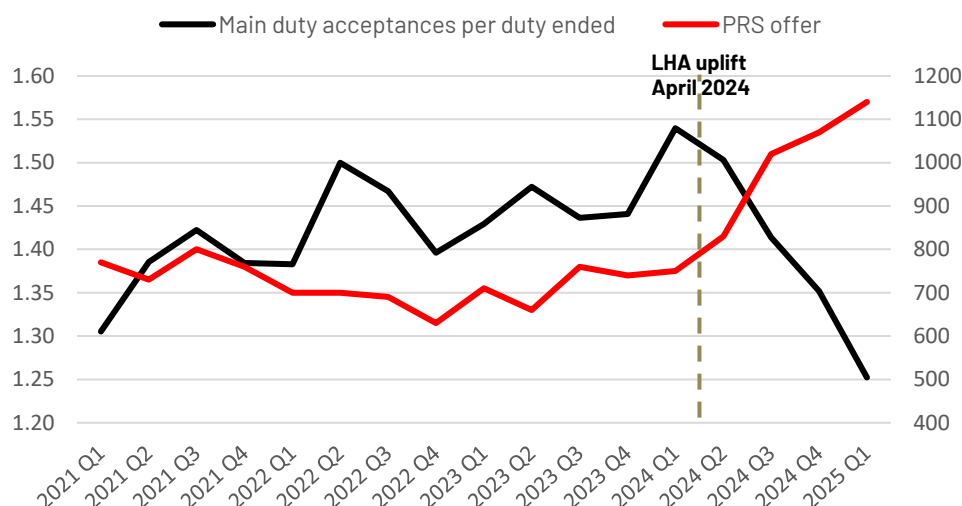
But building new homes will take time – and children growing up in cramped and shoddy temporary accommodation simply cannot wait. Toddlers without the space to play and teenagers trying to study for exams while sharing a room with their whole family urgently need settled and suitable homes.¹¹

Restoring local housing allowance in line with at least the cheapest 30% of private rents would immediately unlock more affordable homes to help families get out of temporary accommodation, supporting the government's manifesto commitments to tackle homelessness and child poverty.

Further analysis is needed but there is some evidence to suggest last year's (April 2024) temporary unfreezing of local housing allowance might have had a positive impact on temporary accommodation numbers.

Our new analysis shows that, since the uprating of LHA to the 30th percentile, the rate of growth in households owed the main homelessness duty (and likely placed in temporary accommodation) has slowed, while the number of households moving out of temporary accommodation into a private rented home has increased by 52%.

Although there are likely other factors at play (such as councils coming under pressure to reduce their TA numbers and costs), our analysis provides some possible evidence to support the role of LHA in reducing the number of households in temporary accommodation.



Lifting children out of poverty

Unfreezing local housing allowance would also have significant impact in reducing child poverty, another of the government's key pledges.

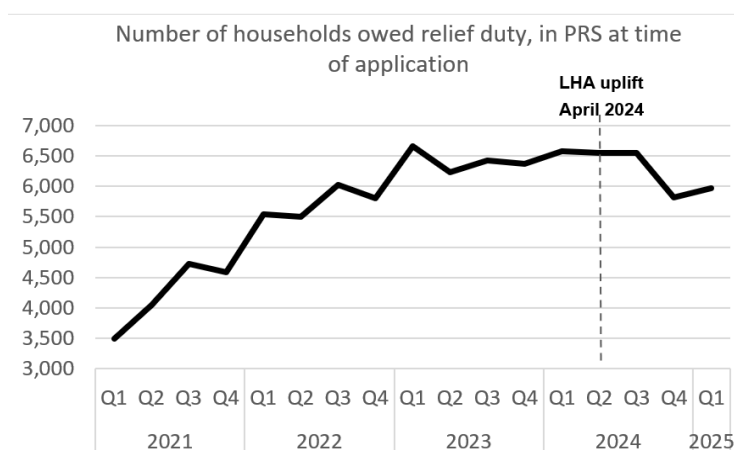
The Resolution Foundation estimates that restoring LHA to cover at least the cheapest 30 per cent of rents in a local area would lift 75,000 children and 125,000 adults out of poverty.¹²

Preventing more families becoming homeless

With the Renters Rights Bill due to become law shortly, promising an end to section 21 'no fault' evictions and fixed term tenancies, restoring LHA now could help support families out of homelessness and into stable and sustainable privately rented homes.

Without substantial measures to tackle unaffordable private rents in the bill, housing benefit remains the primary way to prevent homelessness by ensuring families most at risk of homelessness can afford a home in the private rented sector.

Our new analysis also suggests the 2024 LHA uplift may had some effect on local authority homelessness prevention, with fewer households becoming homeless (and thereby owed the 'relief duty') from the private rented sector. However, there could be other factors at play, such as councils putting more focus on homelessness prevention:



With affordability of a suitable home a major driver of homelessness, and a renewed government focus on homelessness prevention, it's essential that the role of local housing allowance in preventing homelessness is recognised by government.

However, the most pressing need is to help families out of damaging temporary accommodation, which is draining billions in public funds.

The cross-government homelessness strategy will only succeed in putting us back on track to ending homelessness if families can afford private rentals until enough social homes are delivered.

¹ [Government homelessness statistics](#): January to March 2025, Data Tables, Tables TA1 and TA2

² [Single-parent families are almost four times more likely to be homeless or at imminent risk of homelessness in England](#), new Shelter research reveals, 3 September 2025, Shelter media release

³ [My colour speaks before me: How racism and discrimination affect Black and Black Mixed heritage people's access to social homes in England](#), July 2025, Shelter

⁴ [Child Mortality in Temporary Accommodation 2025](#), APPG on Households in Temporary Accommodation

⁵ Deborah Garvie, Jenny Pennington, Hannah Rich and Martha Schofield, [Still Living in Limbo: Why the use of temporary accommodation must end](#), Shelter, March 2023

⁶ [Bill for homeless accommodation soars by 25%, hitting £2.8 bn](#), 18 September 2025, Shelter release

⁷ [Temporary accommodation subsidy gap has cost councils more than £700 million over the last five years](#), 5 December 2024, Local Government Association media release

⁸ According to data from the Department for Work and Pensions, 840,256 families in rented accommodation claim LHA (either Universal Credit or Housing Benefit). According to the latest Labour Force Survey figures, there are a total of 1.52 million families in the PRS in England, meaning that approximately 55% of all families in the PRS claim LHA.

⁹ Crisis, [Fewer than three in every 100 privately rented properties listed in England are affordable for people on housing benefit, Crisis reveals](#), April 2025

¹⁰ Change: Labour Party Manifesto 2024, [Break down barriers to opportunity](#)

¹¹ Deborah Garvie, Jenny Pennington, Hannah Rich and Martha Schofield, [Still Living in Limbo: Why the use of temporary accommodation must end](#), Shelter, March 2023

¹² Alex Clegg and Lindsay Judge, [Housing Outlook Q4 2024](#), Resolution Foundation, December 2024