

## **Urgent call for a Local Housing Allowance review**

The Local Housing Allowance (LHA) determines how much help households can receive towards their rent if they are on a low income. Low LHA rates are a principal cause of poverty for tenants in the private rental sector and LHA reform is a key aspect of tackling poverty and debt.

Average rents in Oxfordshire are high and out of reach for many people on low income and benefits. The Local Housing Allowance (LHA) for Oxfordshire does not enable many low income families to access private rented housing, so we are asking central Government for changes to the Local Housing Allowance system to make it fairer for people in Oxfordshire.

Nationally, LHA rates were reduced from the 50th percentile of average rents to the 30th percentile in 2011. To compound that reduction, LHA rates have fallen behind rent rises by 2% a year between 2013 and 2015, and have been completely frozen since 2016.

The three West Oxfordshire BRMAs are Cherwell Valley (which covers Chipping Norton), Oxford (which covers Witney, Charlbury and Eynsham) and Cheltenham (which covers west of Burford and Carterton, eg Alvescot).

- In Witney, Charlbury & Eynsham the LHA for 2019-2020 is £836.37 per calendar month (pcm) for a 2 bed property, and £1001.01 pcm for a 3 bed property.
- In Chipping Norton the LHA is £705.19 pcm for a 2 bed property, and £840.85 pcm for a 3 bed property.
- The Cheltenham BRMA LHA is £622.85pcm for a 2 bedroom property, and £757.94pcm for a 3 bedroom property.

A test search on 31 July 2019 showed that the average monthly rent for a two bedroom property within a five mile radius of Witney was £1095 on Zoopla, £955 on On The Market and £914 on Rightmove, in comparison with £836 monthly LHA. Only 15% of the 91 two bedroom properties listed on Zoopla, but around a third of properties on On The Market (57 listings) and on Rightmove (71 listings), were within the LHA rate, so around a quarter of properties across the three sites were affordable on LHA.

A test search on 14 August 2019 showed that the average monthly rent for a three bedroom property within a 5 mile radius of Witney was £1215 (even excluding properties over £1700 pcm). On Zoopla, only 4 of the 38 three-bedroom properties listed were affordable for someone receiving £1001 pcm LHA, on Rightmove only 3

of the 43 listings were, and On The Market listed only 2 of 26 properties that would be affordable on LHA. This proportion (7-10% of properties) is nowhere near the third of properties that LHA is intended to cover.

This means low income households are unable to afford to rent locally and have little hope of accessing social housing.

National homelessness charity Crisis and the National Audit Office have also recognised that this shortfall is pushing people into homelessness.

*"The Government need to urgently review and reform the Local Housing Allowance rate calculation in the upcoming spending review and make sure these are in line with projected growth of rents to ensure local people still have access to housing."* **Teresa Archer, Chief Officer at Citizens Advice West Oxfordshire**

Join our call to ask the Government for the urgent need for a Local Housing Allowance review.