Local Housing Allowance: Crisis' Cover the Cost campaign and Alma Economics research
Adequacy of financial support

Local Housing Allowance rates
What is the weekly gap between rents and 2018/19 Local Housing Allowance rates worth to small families?

- **York** (weekly gap £13.35): one and a half weeks of electricity
- **Rugby and East** (weekly gap £23.82): half a week's worth of food or two weeks of electricity
- **Inner East London** (weekly gap £56.80): one week of food or five weeks of electricity
- **Northampton** (weekly gap £19.49): two weeks of gas
- **Cambridge** (weekly gap £30.20): half a week of food or three weeks of gas
- **Brighton and Hove** (weekly gap £30.74): half a week of food or three weeks of gas
- **Bristol** (weekly gap £39.57): three and a half weeks of electricity or five weeks of gas
- **Bath** (weekly gap: £34.14): half a week of food or four weeks of gas

**Central London** (weekly gap £213.60): three and a half weeks of food or 19 weeks of electricity
Pay your rent or feed your family?
Research with Alma Economics
Alma Economics research: cost benefit analysis

Figure 1.2 Micro-simulation model

Micro-simulation by household

Cost of reform options → Poverty reduction by household → Reduction in homelessness

Welfare gains for Local Housing Allowance claimants → Reduced financial costs associated with homelessness

Cost benefit analysis by household

Cost benefit analysis in aggregate, by income quintile, by household type and by country and region
Figure 1.3 Costs and benefits by scenario
Figure 1.4 The costs and benefits of restoring and maintaining Local Housing Allowance rates at the 30th percentile from 2020/21 to 2022/23

- Overall cost to the Government over three years: £3.3 billion
- Households prevented from homelessness: more than 6,000
- Financial savings from reduced homelessness (including reduced need for temporary accommodation): £124 million
- Households lifted out of poverty: more than 32,000
- Welfare gains from preventing homelessness (including reduced need for homelessness services and services related to homelessness): £5.5 billion

Net benefits (financial savings and welfare gains minus costs to Government) over three years: £2.1 billion
Table 1.5 Net benefit by country and English region of restoring Local Housing Allowance to the 30th percentile from 2020/21 to 2022/23

<table>
<thead>
<tr>
<th>Country or English region</th>
<th>Total benefit (financial savings and welfare gain) to the area</th>
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<tbody>
<tr>
<td>Scotland</td>
<td>£110 million</td>
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<tr>
<td>Wales</td>
<td>£70 million</td>
</tr>
<tr>
<td>North East</td>
<td>£59 million</td>
</tr>
<tr>
<td>East of England</td>
<td>£141 million</td>
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<tr>
<td>South West</td>
<td>£180 million</td>
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<tr>
<td>East Midlands</td>
<td>£171 million</td>
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<tr>
<td>Yorkshire and the Humber</td>
<td>£150 million</td>
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<tr>
<td>West Midlands</td>
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<tr>
<td>North West</td>
<td>£256 million</td>
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<tr>
<td>South East</td>
<td>£435 million</td>
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<tr>
<td>London</td>
<td>£640 million</td>
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Thank you