



During November 2022 we helped 870 local people in Richmond with 2,470 advice issues. Benefits (620 issues), housing (440 issues) and debt (230 issues) generated the most enquiries. 190 Richmond residents asked us how to obtain charitable support and food bank vouchers.

### **Some good news in the Autumn Statement**

At Citizens Advice Richmond we drew several collective sighs of relief when the Chancellor unveiled his Autumn Statement last month. Benefits and the state pension will be increased in line with inflation in April 2023, so many people on low incomes will not be hit as hard by rising prices, although it will take months for this adjustment to take effect, and it will not restore the real terms cuts in benefits from previous years.

It is also good news that households on means-tested benefits such as Universal Credit will receive additional Cost of Living Payments of up to £900 next year, and pensioner households and some people on disability benefits will also receive somewhat smaller payments. We welcome the increase in the benefit cap in line with inflation, and the increase in the National Living Wage. These are all measures which will help low income households to weather the perfect storm of high inflation and soaring energy costs.

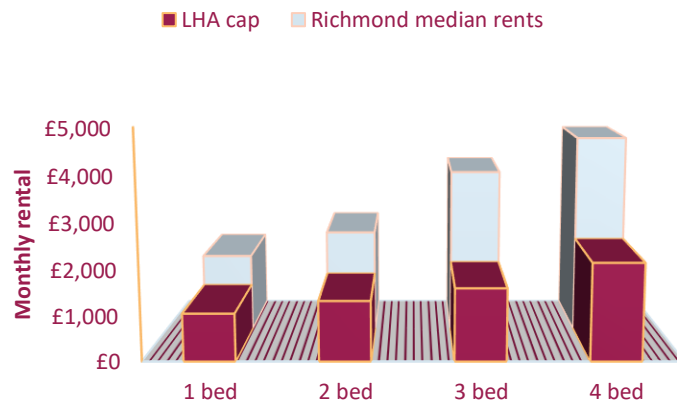
### **But not for some Richmond renters**

Unfortunately, the news from the Autumn Statement was not all good. Local renters on low incomes will be hit hard as private rental costs rise in Richmond, but housing benefits don't. Benefits paid towards housing costs are capped by the Local Housing Allowance (LHA). The LHA sets out the maximum that will be paid in benefits in each local area for each size of home. The Chancellor announced that the LHA will not be increased to reflect the rentals people pay. The following table sets out the LHA rates for the Outer South West region, which covers most of Richmond borough.

Property size	Rate per calendar month
Shared accommodation	£506.61
1 bedroom	£1,047.11
2 bedrooms	£1,321.36
3 bedrooms	£1,595.62
4 bedrooms	£2,144.09

The Home.co.uk property search engine calculates average and median rents across the UK on a daily basis. In the chart below, we've used recent median rents from Home to illustrate that actual rents in Richmond are much higher than the maximum cap set by the LHA. Benefits don't cover rental costs. Even outside London, Shelter says that the LHA covers the cheapest third of rents in just 3% of English local authorities.

## HOW LHA CAPS HOUSING BENEFITS



Of course, there are rents below the median rental in Richmond. But, in a recent property search, we found no rentals which were within the LHA cap, and most were £100s above what can be paid by benefits. So low income families receiving benefits in Richmond who rent privately must find several hundred pounds a month for their rent from money set aside for food, heating and/or children's clothing.

"Roxanne" came to us for advice about how to make ends meet. A

single mother with two children under 12, she lives in a two-bedroom private rental flat. Roxanne receives Housing Benefit, but even though her rent is low for Richmond borough, the LHA caps this payment. Roxanne is therefore short over £300 every month on her rental payments. She needs to find that money from her income from part-time work and the small amount of non-housing benefits she gets. Roxanne asked us for advice about what to do as she faces mounting debts (already standing at over £1,600). If the LHA more adequately reflected the real cost of renting, and covered her rent, Roxanne would at least not start each month having to find an additional £300 to cover her rent, a big challenge for someone on a low income. We're helping Roxanne to apply for charitable grants to tide her over and help reduce her debts.

Unfortunately, the situation is set to get worse. Rental prices have been rising steeply and continue to rise. In the most recent quarter, Rightmove reported that average London rents rose by over 16% in the past year, the biggest ever annual jump.

### Our Call for Action

LHA is supposed to be set by government to reflect the actual cost of renting in each area of England. But it no longer does so because rental costs have been rising very steeply since the LHA was last set back in March 2020. We are asking government to restore LHA to at least the bottom 30% of local rents in each area. To prevent more families becoming homeless, the government needs to re-link housing benefits to the actual cost of renting.

### Our other current campaigns

**End Benefit Prejudice** – in partnership with Richmond Council, we are campaigning to stop discrimination in the private rentals sector against people who receive benefits.

**Social housing tenants' issues** – We are working with local housing associations in Richmond to address recurrent problems with tenants' rent arrears, repairs, and neighbour harassment issues.

**Feedback:** We welcome feedback and suggestions – [Campaigns@CitizensAdviceRichmond.org](mailto:Campaigns@CitizensAdviceRichmond.org)

**Free advice:** Please call us on Freephone 080 82 78 78 73 or fill in the form [here](#).

**Benefit calculator:** Find out what benefits you can claim [here](#).

**Partner organisation referrals:** Refer clients to us via [this form](#).