

# Fair Housing in London

Tackling London's  
housing emergency

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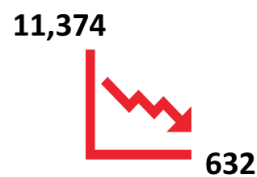
**London is at the epicentre of a national housing emergency**, which has only worsened over the course of the COVID-19 pandemic. From the families forced to spend lockdown in one room temporary accommodation, to the private renters who have lost income and have no recourse to public funds, Londoners across the city are struggling at the sharp end of a housing crisis which is spiralling out of control. This has been exacerbated by diminished council budgets, and many local authorities struggled to support everyone who needed their help even before the pandemic struck.

Tackling this deepening emergency will take action from national government, from local councils, and from London's next Mayor. **Political leaders at all levels must take urgent action to address the inequality which is rife in London's housing system.**

Shelter London is calling on every mayoral candidate to commit to a strategy which will finally put an end to London's housing emergency.

## **Build more social housing in London**

At the heart of London's housing emergency is a simple reality: we have not built the truly affordable social homes that Londoners need. Over the last ten years, delivery of social housing in the capital has fallen dramatically, and since 2014/15, London has been losing more social rent homes through sales than it has been delivering. **Between 2011/12 and 2019/20 social rent housing delivery declined from 11,374 to just 632.** The disappearance of social homes in the capital has been fuelling London's affordability crisis and we must urgently reverse this trend.



Social housing starts in London have increased, and this progress must now be built on over the next four years.<sup>1</sup> Following negotiations with the Ministry for Housing, Communities and Local Government the current Mayor has secured an agreement that the forthcoming Affordable Homes Programme in London will significantly increase the prioritisation of social rent housing. This will be achieved by spending half of the £4 billion total investment just on social housing.

To build on the work that has already taken place so far, we are calling for all mayoral candidates to commit to:

- **Develop a strong social rent delivery policy and commit all local authorities in London to do the same; and**
- **Lobby national government for changes to planning rules, in order to secure more social housing from all types of developments.**

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<sup>1</sup> Social rent starts have gradually increased in the London region, rising from 326 in 2015-16 to 931 in the latest count (2019-20).

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We know that any commitment from the Mayor will need to be backed by much more central government investment for social housing, in order to scale up social house building on the level that is needed. The government must therefore invest in the capital needed for a significant increase in London's social housing delivery.

## Tackle sky high rents in London's private rented sector

Without adequate access to social housing, many Londoners on low incomes are forced to rely on the extortionately expensive private rented sector, often in inadequate homes with poor conditions. Between 2011 and 2021, private rents in London shot up by a quarter,<sup>2</sup> and **before the pandemic private renters in London on low incomes spent an enormous 58% of their income on their rent.**<sup>3</sup>



**Low-income private renters in London spend 58% of their income on rent**

The pandemic has only made this worse, with many losing work and turning to housing benefit in order to cover the rent. Over the course of the pandemic, **the number of households in London claiming Local Housing Allowance (LHA) to pay their rent rose by 36% between February and August 2020. In some boroughs, like Barnet, Newham and Haringey, more than 60% of private renters now rely on LHA to pay the rent.**<sup>4</sup>

LHA, housing benefit for private renters, is meant to cover the cheapest 30% of rents in every local rental area. This means that, in theory, one in three homes in the area should be affordable for people on low incomes to rent. However, the **LHA rates have been frozen by the government** and, because rents have risen over the last year, the rates are already failing to cover the cheapest 30% of rents in much of London. This means there are even fewer private rented properties which people on low incomes can afford.

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<sup>2</sup> Office for National Statistics, [Index of Private Housing Rental Prices, UK: monthly estimates](#), Table 1

<sup>3</sup> In 2018/19 private renters on low wages who needed a two-bedroom home used 58% of their wages to cover the lowest quartile of rents in London. This increased to 67% if they tried to rent a median-priced two-bedroom home. (Shelter, [A Capital in Crisis](#), February 2020)

<sup>4</sup> Numbers of claimants of housing benefit and the housing element of Universal Credit are from DWP, Statexplore, (accessed 30th March 2021). Population estimates for local authorities are from ONS, Subnational dwelling stock by tenure estimates, England, Table 2a Counts of dwelling stock by tenure by local authority district, England, 2012 to 2018

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates> (2018).

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**The LHA rate covers the cost of renting a modest one-bedroom home in just 21% of London.** So, in nearly 80% of the city renters face a shortfall between their rent and their LHA rate. For a modest two-bedroom home, the LHA rates does not cover the rent in half of London.<sup>5</sup>



*LHA covers the cost of renting a modest one-bedroom home in 21% of London*

As rents rise and the LHA rates stay frozen, we will see renters with growing shortfalls between their rent and LHA that they will have to make up out of other limited means. In Bexley, a family renting a modest two-bedroom home will have to find an additional £50 per month just to make rent and in Camberwell someone renting a room in a shared house will have an additional £112 to find to keep on top of their rent. With such massive shortfalls, it would be impossible for a struggling family to ever make up the difference. And every day, it is forcing desperate parents to choose between paying their rent or feeding their families.

That's why we are calling on all mayoral candidates to:

- **Put pressure on national government to unfreeze Local Housing Allowance**, and make sure it remains in line with at least the cheapest 30% of local rents going forward



For many renting in London, the benefit cap is also causing hardship and destitution. The household benefit cap prevents working-age claimants from receiving more than £23,000 per year in London, if they are earning less than £604 per month.<sup>6</sup> **During the pandemic, the number of households who had their benefits capped almost trebled**, and now more than 57,000 households in London are benefit capped.<sup>7</sup> Nearly two thirds (62%) of this number are families with children, who are losing out on around £76 every week because of the cap. These amounts are devastating to families on low-incomes, especially when the cost of housing is inescapably high across London.

The benefit cap is pushing tens of thousands of Londoners and their children into destitution, forcing families to make impossible decisions about whether to prioritise food, heating, or rent every month.

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<sup>5</sup> A modest home is defined as a home with rent at the 30<sup>th</sup> percentile of the market, which Local Housing Allowance is supposed to cover.

<sup>6</sup> If someone is on Universal Credit. If they are on the old benefits system, they will need to work 16 hours per week.

<sup>7</sup> In November 2019, the number of benefit capped households in London was 19,579. As of November 2020, the number of benefit capped households in London increased to 57,292. 35,543 of those capped in November 2020 were families with children. These statistics are for claimants of Universal Credit and those on legacy housing benefit or Local Housing Allowance.

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We are calling on mayoral candidates to:

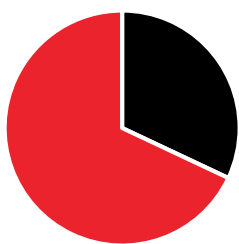
- **Put pressure on national government to remove the benefit cap**, which is putting tens of thousands of Londoners at severe risk of homelessness

Ultimately, central government has a vital role to play in ending the housing emergency, by **improving the benefit system and building the social homes we desperately need**. However, the next Mayor can make improvements to the systems that exist today. Discretionary Housing Payments (DHP) were designed to mitigate against some of the government's social security cuts. But the problem with DHPs is in the name: they are discretionary. Getting the help you need can end up being a postcode lottery with different councils using completely different application and decision making processes. In some cases, your chances of success may even depend on the time of year you apply and how much money the council has left in their DHP pot. DHPs are also not widely advertised, meaning that even when people are eligible they may not know that they can request this kind of support from their council.

We are asking all mayoral candidates to commit to:

- **Raise awareness about what Discretionary Housing Payments are and how to apply:** making the process more accessible would go a long way to ensure they are distributed more fairly
- **Produce guidance on how Discretionary Housing Payments should be administered in a uniform way across the city.**

## Improve the standards and conditions of temporary accommodation in London



**68% of all homeless people in Temporary Accommodation in England live in London**

Over a quarter of a million people across England were homeless and stuck living in temporary accommodation (TA) during the first stages of the pandemic. But in London it is particularly chronic. **More than two-thirds (68%) of all homeless people in TA in England are living in the capital** – 1 in every 52 Londoners live in temporary accommodation.<sup>8</sup>

Poor conditions and overcrowding are not uncommon in TA and people can often feel

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<sup>8</sup> Rich H and Pennington J, [Homeless and Forgotten: Surviving Lockdown in Temporary Accommodation](#). Shelter, (December 2020).

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scared or unsafe as a result of the accommodation itself. Basic facilities, such as laundry provision, kitchen facilities or internet, are often lacking, making it incredibly difficult and expensive for families to get by with daily life in lockdown.

TA in London is so oversubscribed that many families are being placed out of borough and out of London. This practice removes people from their formal and informal support networks, including childcare support, such as from neighbours, family or friends. It also risks disrupting children's education by moving schools, and last year research by Shelter revealed that more than half (56%) of state schoolteachers across England had worked at a school with homeless children in the last three years.<sup>9</sup>

Not only does this have a devastating impact on families and children, but it also demonstrates that the London housing crisis is bleeding out into the rest of the country. This puts enormous strain on services and resources within already stretched London boroughs and neighbouring local authorities.

The only way to make sure Londoners are able to access safe and genuinely affordable homes is for the government to invest in a new generation of social rent homes. But to improve the lives of those living in temporary accommodation right now, we are asking all mayoral candidates to commit to:

- **Issue London-wide guidance for minimum standards of temporary accommodation** and provision of services (e.g. laundry, Wi-Fi, cooking) used across the city
- **Encourage local authorities to commit to these minimum standards,** and ensure people are placed in TA in their local area.

## **Address discrimination in the housing market: Every Londoner should have access to a safe home**

Renters across London are restricted from accommodation every day. Whether it's the eligibility tests when applying for homelessness assistance from the council, private landlords refusing to let to people on benefits, or the government's own Right to Rent restrictions on private renting, these policies are driving homelessness and they are disproportionately impacting people of colour. Women and disabled people are also disproportionately impacted by "No DSS" policies, as they are more likely to be claiming housing benefit.

Despite the fact the practice is [unlawful](#), many letting agents and landlords continue to put in place so-called "No DSS" policies, which prevent renters who receive housing benefit from accessing homes. This practice is discriminatory, locking people out of properties they could otherwise afford simply because they receive housing benefit. It can lead to people staying in unsuitable and unsafe

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<sup>9</sup> McCallum A and Rich H, [The impact of homelessness and bad housing on children's education](#), Shelter, (November 2020).

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accommodation because they cannot move – and ultimately, it can make people homeless.

For many Londoners struggling to afford the rent, claiming housing benefit has not even been an option. During the pandemic, people without access to public funds have struggled to make ends meet if they have been unable to work or have lost income. No Recourse to Public Funds (NRPF) is a condition [imposed on most migrants](#) with time-limited leave to remain in the UK (visas that allow you to enter and stay in the UK for a specific time period) and those who do not have a regularised immigration status. The condition prohibits people from accessing most welfare benefits, statutory homelessness assistance, and from being allocated social rent housing.

Without entitlement to Universal Credit, many private renters impacted by the NRPF condition have struggled to stay afloat and pay their rent during the pandemic. NRPF has directly pushed many into destitution and homelessness.

Many Londoners face further discrimination in the private rented sector because of the government's Right to Rent policy, a cornerstone of the 'hostile environment'. This policy requires landlords to check the immigration status of prospective private renters, and has shown to lead to both discrimination against migrants, and racial discrimination in the private rented sector. A survey carried out by YouGov on behalf of Shelter found that almost half of landlords who make letting decisions said that 'right to rent' checks would make them less likely to consider letting to people who didn't hold a British passport or who 'appeared to be immigrants'.<sup>10</sup>

The government's Right to Rent policy [encourages discrimination](#) in the private rented sector, and risks leaving those impacted with no option but to rent from unscrupulous landlords and in flats with poor, unsafe conditions. Discriminatory policies such as these disproportionately impact people of colour, forcing many towards the most unsuitable ends of the housing market. This must stop: **every Londoner should have access to a safe, affordable home**. We are asking all mayoral candidates to:

- **Call upon all private landlords and letting agents across the city to stop discriminating against tenants on housing benefit.**
- **Actively call on the government to end the No Recourse to Public Funds (NRPF) condition**, so that everyone can access our social security safety net in times of need.
- **Actively call upon the government to abolish the Right to Rent policy** so that private renters do not face immigration checks in their search for a new home.

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<sup>10</sup> YouGov survey of 1,071 private landlords letting in UK, online, 18+, June 2015 – July 2015.



Shelter helps millions of people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

Please support us at [shelter.org.uk](https://shelter.org.uk)

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