

Submission

HCLG Select Committee inquiry: Impact of COVID-19 on homelessness and the private rented sector

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The Shelter logo consists of the word "Shelter" in a white, sans-serif font, centered within a solid red rectangular background.

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.

The logo for Shelter, featuring the word "Shelter" in white lowercase letters on a red rectangular background.

Shelter

Summary

We welcome the opportunity to give evidence to this inquiry. Throughout the COVID-19 pandemic, we have been contacted by thousands of people facing eviction, homelessness, and problems in their accommodation which make it unsuitable to stay safe and healthy in during the pandemic.

The government has introduced welcome interventions to protect street homeless people and private renters against the impact of COVID-19 and the resultant economic crisis. The swift action to accommodate people sleeping rough, suspend possession proceedings, and restore Local Housing Allowance (LHA) to the 30th percentile were hugely welcome and vital steps in protecting those at the sharpest end of the housing emergency throughout the pandemic.

However, despite the measures in place, people fell through the gaps in support. Hundreds of thousands of private renters have fallen into rent arrears. People with No Recourse to Public Funds have lost their jobs but have been left with no safety net to fall back on. Councils turned away people at risk of the streets without emergency accommodation. Private renters have been illegally evicted from their homes. Homeless families have had no option but to self-isolate in unsuitable, overcrowded temporary accommodation.

To protect private renters, homeless families and rough sleepers during and beyond this national lockdown, we are calling on the government to:

- 1. Direct councils to accommodate everyone at risk of the street, by providing not only adequate funding but robust guidance, clarifying the basis on which everyone at risk of the street should be accommodated.**
- 2. Introduce a dedicated pot of funding for private renters who have fallen into “COVID” arrears.**
- 3. Suspend the benefit cap for at least one year, and keep Local Housing Allowance (LHA) in line with at least the 30th percentile of market rents.**
- 4. Ensure that no one is physically evicted from their homes this winter while we remain in full or partial lockdowns with bans on households mixing indoors.**
- 5. Provide councils with enough funding to properly resource their tenancy relations service and Environmental Health practitioners, in order to help prevent unlawful evictions and enhance their capacity to resolve disrepair issues.**

How effective has the support provided by the government been in addressing the impact of COVID-19 on tenants, landlords, rough sleepers and the homeless?

Supporting private tenants

The government's decision to realign Local Housing Allowance (LHA) with the 30th percentile (cheapest 30%) of local market rents in March was a welcome step in assisting private renters weather the financial impact of the pandemic. The rates had previously fallen so far behind rents that by 2019 the average shortfall for claimants with no or low-income was over £100 a month.¹ However, the government's efforts to support private renters have been undermined by the benefit cap, which caps the amount out-of-work claimants can receive.² Households affected by the benefit cap are losing an average of £247 a month, which is having a devastating impact on low-income households across the country - particularly in areas where housing costs are high.³

The number of households hit by the benefit cap has increased dramatically since the start of the first lockdown, more than doubling from 79,000 in February to 170,000 in August.⁴ The government insisted that the grace period, a 9-month exemption from the benefit cap, would protect new claimants from being instantly hit by the benefit cap. However, Shelter research reveals that 22,710 of new "COVID" claimants to Universal Credit (UC) have been instantly benefit capped, and almost three quarters (73%) of these claimants are private renters - demonstrating the disproportionate impact the cap is having on private renters.⁵

The pandemic and resultant economic crisis has also made it much harder to meet the exemptions needed to escape the benefit cap after the grace period ends. A second national lockdown, a lack of job opportunities and high unemployment rates makes it infeasible to expect every claimant to swiftly find permanent work. Many who lost their jobs as a result of the pandemic will soon be unfairly penalised by the benefit cap if they have failed to find a new job within the 9-month grace period.

We recommend that the government reverse their recent decision to freeze the LHA rates by aligning them with at least the 30th percentile of local market rents going forward, and suspend the benefit cap for at least one year.

The government's suspension of possession proceedings kept thousands of people in their homes during the first wave of the pandemic and ensured that renters could follow government instruction to stay home. The decrease of at least 70% in private landlords applying for possession through the court shows that the 'evictions ban' was communicated effectively and deterred landlords from pursuing claims.⁶

However, we know that landlords' ability to continue to serve notice on their tenants has resulted in tens of thousands leaving their home, even at the height of the first wave. In the

¹ Pennington, J., Kleynhans, S. [Briefing: Local Housing Allowance Impact Assessment](#), Shelter (Feb 2020).

² The benefit cap is currently set at £23,000 per year in London and £20,000 outside of London, if a claimant is working less than 16 hours a week, or, if on Universal Credit, earning less than £640 a week.

³ DWP 'Benefit cap: number of households capped to August 2020' November 2020

<https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2020>

⁴ [Benefit cap: number of households capped to Aug 2020](#), Department for Work and Pensions, (Nov 2020).

⁵ Data supplied by DWP to Shelter following an FoI request. The request asked for the number of households affected by the household benefit cap in May 2020, who started a claim for Universal Credit on or after the 15th of March 2020.

⁶ [Mortgage and Landlord Possession statistics: July to September 2020](#), Ministry of Justice, (Nov 2020).

period March to June, an estimated 62,000 adult private renters (33,000 households) left their property after receiving either a formal or informal notice from their landlord.⁷ This is significantly higher than the number of renters evicted through the courts in any given quarter, which demonstrates not only that an initial notice of seeking possession causes most tenants to leave, but that suspending court proceedings alone is insufficient in preventing people being forced to move within the private rented sector.

We know that most private renters start looking for a new privately rented property once they are served with a notice seeking possession. In most cases where a landlord has taken steps to remove a tenant (over two-thirds), the tenant leaves before it goes to court.⁸

While possession cases restarted in the courts on September 21st, the resurgence of COVID-19 has necessitated new measures to protect renters.

The new regulations prohibiting bailiff warrants from being executed are welcome. We recommend that government extends these regulations beyond January 11th so that no one in tiers 2 or 3 will be physically evicted from their home.

Our services teams have been dealing with numerous cases of private renters who have experienced an unlawful eviction, unlawful eviction threats or landlord/agent harassment. Where possible, we have advised clients to contact their council's Tenancy Relations Officer (TRO), who can enforce renters' rights to protection from unlawful eviction and harassment. However, long-term cuts to council funding has severely impacted their ability to provide a well-funded tenancy relations service, and many have no TROs at all.

We recommend that the government sufficiently funds all councils so they can have a well-resourced tenancy relations service to help prevent unlawful evictions and harassment.

Protecting people at risk of the street

In March, we welcomed the government's decisive action to protect street homeless people via the "Everyone In" approach, which directed councils to accommodate people sleeping rough and those at risk during the national lockdown.⁹ The swift action from the government and local authorities is estimated to have prevented 21,000 infections and 266 deaths.¹⁰

Since the beginning of lockdown, however, our services have been contacted by people at risk of the streets who have been turned away by councils without emergency accommodation. Some were advised to bed down in order to be 'verified' by StreetLink to access accommodation. Even in cases where Shelter challenged the decision, councils maintained they had no legal duty to accommodate. This lack of clarity from government had the effect of "a lottery", with some people being accommodated and others refused, even within the same council area.

⁷ This is the equivalent of 33,000 households. YouGov survey of 1058 private renters, online, weighted, (June 4-11 2020).

⁸ YouGov survey of 1009 private landlords letting in England, online, 18+, (Dec 2019 - Jan 2020).

⁹ Hall, L. "[Correspondence \(COVID-19\): Letter from Minister Hall to local authorities on plans to protect rough sleepers](#)", Ministry for Housing, Communities and Local Government, (March 2020).

¹⁰ Lewer, D. et al, "[COVID-19: Emergency homeless accommodation saved hundreds of lives](#)", University College London, (Sep 2020).

As lockdown restrictions eased over the summer, MHCLG started to roll-back from “Everyone In”, publishing amended statutory guidance for housing authorities to clarify that only those ‘extremely clinically vulnerable’ to COVID-19 were to be regarded as ‘priority need’ for accommodation.¹¹ As a result, people were increasingly turned away from councils, and many of those who had initially been accommodated were asked to leave because there was no legal duty to accommodate. London CHAIN statistics show 4,227 people slept rough on the capital’s streets during April-June 2020: a 33% increase compared to the same period last year. Of these, 63% were sleeping rough for the first time – a 77% increase on last year.¹²

In November, the government launched the Protect Programme in response to the new national lockdown. In its announcement, MHCLG said councils would need “to make sure every rough sleeper [is] offered somewhere safe to go, as new national restrictions start”.¹³ However, unless this announcement is followed by unequivocal guidance to councils on the legal duties and powers they should be using to accommodate people at risk of the street, we remain concerned that some will continue to be turned away with nowhere safe to go this winter.

To protect people at risk of the streets from COVID-19 and the cold this winter, we recommend the government issues robust guidance to local housing authorities clarifying the basis on which everyone should be accommodated.

What might the impact be of a second wave of coronavirus on homelessness and the private rented sector?

Impact on private renters

Before the pandemic, 31% of private renters in England relied on Local Housing Allowance or the housing element of UC to help pay their rent. This has risen sharply since the start of the first lockdown, and as of August 2020 an estimated 42% of private tenants now rely on housing benefit to help pay their rent.¹⁴ In a quarter of England, the data suggests that more than half of private renters now claim housing benefit.¹⁵

While the restoration of the LHA rates back up to the 30th percentile was welcome, this intervention only makes the cheapest 30% of homes affordable in each rental market. A system where more than four in ten households need support in paying the rent, but where support covers the rent of just three in ten homes in each area is clearly inadequate. This will leave many claimants with no other option but to rent a property above the LHA rates, and make up the shortfall between their housing benefit and rent out of other limited means. If they are unable to meet the shortfall, they could accrue arrears putting them at risk of eviction and homelessness.

¹¹ [Homelessness code of guidance for local authorities](#), MHCLG, (June 2020).

¹² [Rough sleeping in London \(CHAIN reports\)](#), Greater London Authority, (Oct 2020).

¹³ [Jenrick launches “Protect Programme”: the next step in winter rough sleeping plan](#), MHCLG, (Nov 2020).

¹⁴ Pennington J., Trew C., Kleynhans S. [“New Universal Credit statistics show impact on private renters”](#), Shelter, (Nov 2020).

¹⁵ Ibid.

Since the beginning of the pandemic, at least 320,000 adult private renters have fallen into arrears,¹⁶ and 73% of private renting families have no savings to fall back on.¹⁷ Without sufficient financial support, private renters who fall into arrears will be at risk of harassment and unlawful eviction. Information from our web chat team has already shown cases of harassment and unlawful eviction threats linked with rent arrears issues. If renters do not receive the financial support to pay off COVID-related arrears, an increasing number will be at risk of unlawful eviction and harassment. This is particularly concerning when councils do not have the resources to properly enforce against unlawful evictions and harassment. The clear risk is that private renters in financial difficulty will be forced to leave their home, be unable to find a new home that they can afford, and will become homeless at a time when they need a secure home to remain safe during the pandemic.

To protect private renters who have fallen into arrears during the pandemic, we recommend the government introduce targeted financial assistance to help renters clear COVID related arrears.

New regulations preventing bailiffs from evicting renters during the national lockdown apart from the more egregious cases, will go some way to protect tenants at the sharpest end of the housing emergency. However, there are exemptions to this ban, including cases where there are significant rent arrears. Where there is an argument in balancing public safety with public health in allowing warrants in cases of anti-social behaviour to be executed, we see no such justification for warrants to be executed in cases of rent arrears, which do not pose a threat to public health.

The government's failure to protect renters who could face eviction as a result of the virus means that we expect to see people losing their homes due to COVID-19. While the number of cases being processed through the courts is low due to the backlog and the second lockdown, we can expect those who lost income in March and began to accrue arrears facing possession hearings soon. As the government declined to put in place protections for these people, anyone facing a Section 21 or Ground 8, Section 8 claim will stand to automatically lose their home.

The government has taken steps to ensure renters are not physically evicted during this national lockdown; it is vital that government clarifies its plans for bailiffs once we come out of lockdown and protect renters who have built up rent arrears during the pandemic.

Over the course of the pandemic, we also know that renters have been struggling with disrepair. During the first lockdown 15% of private renters said that they have had a housing maintenance problem that caused them or someone they live with stress¹⁸. Currently, it is difficult to strike the right balance between resolving all disrepair issues and ensuring that everyone complies with COVID-19 related restrictions. However, staff within our services team have identified a backlog in housing disrepair cases during the pandemic.

Councils may not have the capacity to quickly deal with this backlog. Over the last decade, council expenditure on ensuring good housing standards within the private rented sector has

¹⁶ YouGov survey of 3,698 England 18+ including 598 private renters in England, online, weighted to England adults, fieldwork 17 August to 19 August 2020. Most similar surveys by other organisations have found similar or higher numbers.

¹⁷ [English Housing Survey 2018/19, Housing costs and affordability](#), annex table 2.12, MHCLG (July 2020).

¹⁸ YouGov survey, online, 18+. England sample size was 5,177 and results weighted to be representative of England's population. Fieldwork dates were 4th - 7th September 2020.

dropped from £12.58 per private renting household in 2009/10 to £7.02 per private renting household in 2018/19¹⁹.

To enhance councils' capacity to resolve disrepair issues, we recommend the government must sufficiently resource councils so that they can employ the Environmental Health Practitioners they need.

Impact on homelessness

This winter, rough sleepers face a dual threat from both the cold and the resurgence of COVID-19 - making it even more urgent that people at risk of the streets are safely accommodated this winter. The death toll for street homeless people is higher during the winter months, and there is evidence that street homelessness alone can heighten the likelihood of developing severe COVID-19 symptoms. A lack of sleep, nutrition and hygiene, compounded by physical and psychological stress, weakens the immune system and increases susceptibility to COVID-19.²⁰

COVID-19 restrictions mean there is a likely to be a large reduction in night shelter beds this winter.²¹ For the night shelters that are open, people will face an impossible choice: sleep in a night shelter, where they may be at much greater risk of contracting the virus, or sleep on the streets, where they are at risk of freezing to death. Communal night shelters heighten the risk of COVID-19 transmission: in New York, the coronavirus mortality rate in shelters was 61% higher than among the general population.²²

Overcrowded housing is linked to higher COVID-19 contraction rates and thousands of homeless families living in one-room temporary accommodation are also at risk.²³ It is common for children to have to share beds with parents or siblings, and for families to share communal bathrooms making it impossible to self-isolate.

What estimates or data are available on the number of eviction notices served during the ban on evictions?

Legal eviction notices

The Ministry of Justice publish quarterly figures on the number of eviction claims, orders, warrants and actual repossessions for private landlords, social landlords and mortgage providers.²⁴ These figures show:

- 5,100 private rental eviction claims were logged by the courts between 1st April 2020 and 30th September 2020. As would be expected, this is a much lower figure than long-run averages, however, compared to the same period in 2019, the reduction in

¹⁹ This includes all costs associated with work to ensure that the residents of private sector accommodation live in safe and sanitary conditions, such as inspections and licensing of houses in multiple occupation. We calculated the cost per private renting household by dividing the net current expenditure by the number of households living in the private rented sector in England. MHCLG, Local authority revenue expenditure and financing England, Revenue outturn cultural, environmental, regulatory and planning services (RO5) and MHCLG, English Housing Survey 2018 to 2019: headline report, Annex Table 1.1.

²⁰ [COVID-19: People with Certain Medical Conditions](#), US Centers for Disease Control and Prevention, (Nov 2020).

²¹ [Housing Justice welcomes clarity on night shelter re-openings but warns "no return to business as usual"](#), Housing Justice, (Oct 2020)

²² Routhier, G., Nortz, S., [COVID-19 and homelessness in New York City](#), Coalition for the Homeless, (June 2020).

²³ Holden, J., Kenway, P., [Accounting for the variation in confirmed Covid-19 caseload across England: An analysis of the role of multigeneration households](#), New Policy Institute, (April 2020).

²⁴ [Collection: Mortgage and Landlord Possession statistics](#), Ministry of Justice, (2020).

private rental eviction claims (-72%), is not as great as the reduction in eviction claims issued by mortgage providers (-98%) or social landlords (-95%).

- The number of eviction claims issued by private landlords was higher in Q3 2020 (2,964) than it was in Q2 2020 (2,136), whereas in 2019 this figure fell between Q2 and Q3, suggesting landlords were more likely to issue eviction claims later on in the 'eviction ban' period.
- The number of eviction orders and bailiff warrants logged by courts for private landlord cases was low between April and September 2020 (366 orders, 689 warrants), but again there was a slightly sharper reduction in these, in the mortgage and social landlord sectors.
- Official homelessness data published by MHCLG records the number of people becoming homeless due to 'valid section 21 notice' being issued.²⁵ The only available post-COVID data is for Q2 2020, and this shows that while there was a big reduction in homelessness recorded under this category, there were still 1,560 cases.

Unlawful evictions

When estimating unlawful eviction cases, we have drawn from a range of different sources as private renters will pursue different options when seeking support.

- Between the end of March and the end of August, our web chat team has handled 367 cases of harassment, unlawful eviction threats and/or unlawful evictions. Citizens Advice have stated that between the end of March and end of July this year 1,340 people have come to them for help with unlawful evictions.²⁶
- Government data also shows that private renters have experienced homelessness as a result of unlawful evictions between April and June this year²⁷. The 240 homelessness cases recorded as being due to illegal eviction is slightly lower than the three previous quarters, but is the same number as it was in the same quarter of 2019, suggesting there has been little change in the amount of officially recorded homelessness caused by illegal eviction, despite it being much harder to present as homeless in this period.

Unprotected eviction notices (e.g. lodgers)

While no official data captures unprotected eviction notices, official homelessness data records the number of households who were lodging at the time of their homelessness application²⁸.

- These figures show 730 lodging households were made homeless in Q2 2020, a slight reduction on previous figures, but only 9% less than in the same quarter of 2019, in a period when it was much harder to present as homeless. This only tells a small part of the story as many lodgers will not have made a homelessness application following an eviction.

²⁵ [Statutory homelessness in England: April to June 2020](#), MHCLG, (Oct 2020).

²⁶ T. Wall. 2020. [No place like home: illegal evictions in 'shadow' sector soar in lockdown.](#)

²⁷ [Statutory homelessness in England: April to June 2020](#), MHCLG, (Oct 2020).

²⁸ Ibid.

Eviction from asylum support accommodation

- In June, the government announced they would not be extending the three-month pause on evictions from asylum support accommodation that had been in place since March 2020²⁹.
- Between April and June, MHCLG homeless statistics record that 300 households were made homeless as they were asked to leave asylum support accommodation³⁰. This, and media reports, suggests that the first evictions happened shortly after this announcement.³¹ However, few took place before August, and, until September 15th, it seems all households moved on had received a positive decision in their case (meaning they were entitled to alternative housing support).
- However, from September 15th, support cessations started to also include households in England who had received a negative decision, would be entitled to very little alternative support and be very at risk of street homelessness.³² It is unclear how many people have been or may be at risk of eviction. However, there are currently over 50,000 people in asylum support accommodation³³, so there could be a very large number of people affected.

What are the best policy options for helping tenants with rent arrears caused by coronavirus?

To support tenants that have already accrued rent arrears caused by COVID-19, we are calling on the government to:

- **Introduce a dedicated pot of funding for renters who have fallen into “COVID” arrears.**

However, the best way to ensure private renters can afford their rent in the first place is to ensure that housing benefit is fit for purpose. The government has taken steps to strengthen the welfare safety net during the pandemic, but the benefit cap has prevented tens of thousands from accessing the support on offer. We are therefore calling on government to:

- **Suspend the benefit cap for at least one year**
- **Keep Local Housing Allowance (LHA) in line with at least the 30th percentile of market rents.**

We would also like to see the government issue clear guidance to private tenants of their right to remain in their home where bailiff action has been suspended, and provide councils with sufficient funding to properly resource enforcement against unlawful evictions and harassment.

²⁹ Heath, L. 'Charities warn hundreds of asylum seekers are at risk of homelessness as Home Office ends eviction ban' Inside Housing <https://www.insidehousing.co.uk/news/news/charities-warn-hundreds-of-asylum-seekers-are-at-risk-of-homelessness-as-home-office-ends-eviction-ban-66936>

³⁰ MHCLG, 'Live tables on homelessness' Published 10th November 2020.

³¹ Heath, L., [Home Office urged to reverse asylum seeker eviction ban decision](#), Inside Housing, (June 2020).

³² Taylor, D., [Home Office plans to evict thousands of refused asylum seekers](#), Guardian, (Sep 2020).

³³ There were 58,778 people receiving support through section 4 or section 98 or accommodation support through section 95 at the end of September 2020. Home Office, 'Asylum and Resettlement - Asylum seekers in receipt of Support', published 26th November 2020.