

Impact of COVID-19 (Coronavirus) on homelessness and the private rented sector

National Housing Federation Submission to HCLG Committee Inquiry

27 November 2020

Summary

This submission addresses the following issues from the point of view of housing associations:

- 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?
- What might the impact be of a second wave of coronavirus on homelessness and the private rented sector?
- What estimates or data are available on the number of eviction notices served during the ban on evictions?
- What are the best policy options for helping tenants with rent arrears caused by coronavirus?

This submission focuses on homelessness and rough sleeping, social housing tenants and social landlords.

The pandemic has highlighted the need for secure, affordable homes, especially for those most affected by the crisis: low-paid key workers, rough sleepers, families in temporary accommodation and people in unsuitable, unsupported or overcrowded homes. It has also highlighted the need for a robust benefits system that covers the cost of rent, and safeguards for employment.

We must not undo the progress made so far. The same impetus as seen with 'Everyone In' must be repeated, in the second lockdown and

second wave, in preparation for winter. In the longer term, we need investment to build the social housing the country needs, alongside properly funded support services for wider homelessness prevention.

Housing associations recognise that people on low incomes are disproportionately affected by the crisis. In response, they have pledged not to evict anyone as a result of arrears built up during the crisis. They also continue to work closely with their residents, supporting people experiencing hardship. Housing associations have introduced extra measures, including setting up charitable funds, helping people claim benefits and find work, and retraining staff to provide support. Housing associations are ready to work with the government to make this support more widely available.

Introduction

- 1 The National Housing Federation (NHF) is the voice of housing associations in England, representing almost 800 housing associations providing homes for around six million people. We influence, campaign and engage on behalf of our members. We create an environment where housing associations can deliver their social mission.
- 2 Housing associations play a key role in preventing and ending homelessness, and have been heavily involved in alleviating homelessness during the crisis. They are also well placed to assist with the next steps.
- 3 Housing associations are committed to supporting the most vulnerable people in our communities. Throughout the coronavirus crisis, housing associations have been working with residents experiencing hardship. They have cooperated with partners to help keep people secure at home and get the support they need.
- 4 Rough sleeping essentially ended overnight with the government's emergency accommodation measures. This shows what is possible with leadership and funding. This should continue, with a renewed impetus and quickly available, ring-fenced funding to secure permanent homes and ongoing support for those rehoused.
- 5 In the longer term, we need investment to build the social housing the country needs, alongside properly funded support services for prevention and tenancy sustainment.

NHF response to the committee's questions

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?

- 6 We welcome the steps the government has taken to support people to manage the effects of the crisis, including changes to the welfare system, supporting residents in their homes and accommodating rough sleepers. The government should continue to focus on critical issues, including:

- Ensuring the benefits system smoothly supports everyone affected by the crisis to keep paying their rent and manage living costs.
- Ensuring vital support services can continue, with access to testing, vaccination, PPE and staff.
- Addressing homeless people's long-term housing and support needs.
- Supporting communities and the economy to recover, supporting people into work and investing in homes.

Tenants and welfare

- 7 The crisis has put enormous financial strain on residents, with Universal Credit (UC) claims and unemployment at the highest levels in years. 23% of working-age social renters in employment in February 2020 are now furloughed, have lost hours and pay or have lost their job.¹ We welcome the steps the government is taking to support incomes and ensure timely UC payments. We recognise the value of a system that can tolerate such a huge increase in claims and acknowledge the Department for Work and Pensions (DWP) staff efforts in processing claims and making rapid changes.
- 8 Some UC recipients manage their rent payments through an Alternative Payment Arrangement. At the start of the pandemic, the DWP continued with the planned roll-out of a new system to pay the housing element of UC to social landlords on the same day as tenants. This is now in place for most larger housing associations and represents a significant improvement. We are glad that we were able to work with the DWP to streamline this process.
- 9 The government also increased the standard UC and Working Tax Credit payment by £20 per week in the April economic stimulus package. This has helped people manage the loss of work and additional costs associated with the pandemic, but it's due to end in April 2021. This money will still be vital beyond April and we urge the government to retain this payment. Joseph Rowntree Foundation modelling indicates that if the increase ends in April, 16 million households will face an overnight income loss equivalent to £1,040 a year, with those on the lowest incomes and families with children being the hardest hit. They also estimate 700,000 more people will be pulled into poverty, including 300,000 children.²

¹ [Resolution Foundation, Coping with housing costs, six months on..., 30 October 2020](#)

² [JRF, Autumn Budget: keep doing the right thing and keep the £20 lifeline, 9 September 2020](#)

- 10 According to our monthly member survey on rent arrears and UC, the number of tenants claiming UC increased from 16% of all general needs tenancies in Q1 2019/20 to 24.1% in April 2020, with an indication that this is still rising. Our data also shows an increase in the percentage of tenants in arrears and the overall level of arrears. This pattern is consistent with what social landlords would expect to see with an increase in UC claims. UC claimants remain almost twice as likely to be in arrears than other tenants (just over 60% versus just under 36%). They are also in significantly higher levels of arrears. Tenants struggle to maintain rent payments during the five-week wait,³ so social landlords tend to see a correlation between the start of a UC claim and arrears.
- 11 We must strengthen the benefits system so people can stay safe and meet daily costs. The government has introduced important changes in the benefit rules including for carers, people self-isolating and the self-employed. However, gaps remain, some of which particularly affect tenants. Some families impacted by the household benefit cap have seen no increase in their income to help with the pandemic. Tenants who lost their job at the start of the crisis may now be impacted by the cap if they are still out of work, or only working a few hours a week, six months later.

Social landlords and the effect of lockdown

Support provision and financial viability of services

- 12 Housing associations deliver over 70% of supported housing, including sheltered and extra care housing, homeless hostels, mental health step-down units and domestic abuse refuges. Housing-related support saves public money, avoiding hospital stays.⁴ It avoids rent arrears and tenancy breakdown, promotes employment and allows vulnerable people to live healthier, more independent lives. Research shows public spending would fall by £370m if 40,000 people were prevented from experiencing a year of homelessness.⁵

³ [NHF, No Time to Wait, 19 June 2020](#)

⁴ [Crisis, The plan to end homelessness, 2018](#); [St Mungo's, Ending rough sleeping: the role of supported housing, September 2017](#)

⁵ Pleace, N. and Culhane, D. P. (2016) Better than cure? Testing the case for Enhancing Prevention of Single Homelessness in England. London: Crisis.

- 13 The crisis has demonstrated the critical need for housing-related support, particularly services for domestic abuse survivors, rough sleepers and people in mental health crisis. Supported housing providers have managed the impact of the pandemic extremely successfully, keeping vital services running and infection rates down. Providers have worked with local authorities, the care sector and the NHS to allow safe hospital discharge or move-on from temporary accommodation. We persuaded the government to designate housing staff as key workers, which helped keep essential services going. It is vital that the government retain these designations during future lockdowns.
- 14 However, many providers have faced significant challenges during the pandemic. We conducted a survey of our members about the impact of the crisis on supported housing.⁶ The survey showed increased demand for support services, especially short-term services, highlighting their crucial importance for vulnerable groups.
- 15 The survey also highlighted that providers face greater financial pressures because of increased staffing costs, additional cleaning, purchasing PPE and higher security costs, alongside lost income from vacant properties. Even after the lockdown, homelessness services and supported and sheltered housing providers experienced an ongoing inability to let properties, given a lack of referrals and personal reluctance to move in because of the perceived risk. Some supported housing services are concerned they will not receive their commissioned funding if their occupancy criteria are not met.
- 16 Without extra financial support to cover these losses (sometimes up to six months' rental income), there is a risk these services may close, reducing the supply of specialist accommodation and support to keep people off the streets. This would lead to increased public service and welfare costs.
- 17 Long-term investment in housing-related support services would ensure these services keep supporting people, and will contribute to the social and economic recovery from the pandemic. The government should ring-fence

⁶ [NHF, Briefing on the financial impact of the coronavirus crisis on supported housing providers, August 2020](#)

housing-related support and allocate £1.6bn⁷ per year to English local authorities.

Suspension of possession proceedings

- 18 The pandemic has transformed the way social landlords work with communities, but has also increased pressures in those communities. As a result of the stay on possession proceeding, tenants could not be evicted for anti-social behaviour or domestic violence, therefore, housing associations had to manage the very small minority of tenants who engaged in dangerous or disruptive behaviour.
- 19 We shared our members' views on how the courts should manage possession proceedings once the eviction ban ended, in a cross-sector working group. We support the agreed list of priorities, including anti-social behaviour, domestic abuse and abandonment, to ensure the most pressing cases are heard first.⁸

Rough Sleepers

- 20 The pandemic has put more people at risk of rough sleeping, many for the first time. April to June 2020 statistics showed 33% more rough sleeping in London than 2019, with 77% more new rough sleepers.⁹ CHAIN figures revealed 47% more 16 to 25 year-olds sleeping rough in London between July and September.¹⁰
- 21 Housing associations welcome the leadership shown by government to bring rough sleepers into self-contained provision, as part of 'Everybody In', and the accompanying funding. The requirement to house all rough sleepers demonstrated the government's commitment to protect them from coronavirus. Many housing associations joined in the massive, life-saving¹¹ effort.

⁷ DCLG, Spending Review 2010: Equality Impact Assessment – Funding for the Supporting People Programme, December 2010, pp5 and 7

⁸ [Courts and Tribunals Judiciary, Resumption of Possession Cases, 17 September 2020](#)

⁹ [GLA, Rough sleeping in London \(CHAIN reports\), August 2020](#)

¹⁰ [GLA, Rough sleeping in London \(CHAIN reports\), September 2020](#)

¹¹ [Lewer, Dan, Isobel Braithwaite, Miriam Bullock, Max T Eyre, Peter J White, Robert W Aldridge et al., COVID-19 among people experiencing homelessness in England: a modelling study, September 23, 2020](#)

- 22 However, the local authority support funding was not ring-fenced. Given the range of challenges facing local authorities, not all have been able to give more funding to services supporting those accommodated. This means services providing support beyond normal provision may have done so without extra funding.
- 23 Nevertheless, we commend the continuation of the government’s commitment to rough sleepers with a Taskforce to advise local authorities and funding for move-on housing. This commitment to securing long-term housing, accompanied by support and proportionate funding, will be crucial to fulfilling the government’s objective to end rough sleeping by 2024.
- 24 Housing providers have, however, expressed concern about the long wait for the announced Rough Sleeper Accommodation Programme (RSAP) funding and the short timescales. Bidding was open for five weeks from July to August. Housing associations reported local authorities were experiencing difficulty preparing bids in the time available. Allocations were announced in November and the completion deadline is March 2021.
- 25 We recommend the government award the funding quickly, as further delays will make completion increasingly difficult. Housing associations will require funding unspent by March 2021 to roll over, to avoid lost projects. This flexibility should be built into subsequent rounds. We also suggest the next rounds allow housing providers to be lead applicants, to avoid situations where bids cannot be made because of local authority time pressures.
- 26 ‘Everyone In’ showed what can be achieved with resources, coordination and commitment. We should build on this success by ring-fencing funding dedicated to preventing rough sleeping and supporting people to stay housed.
- 27 We welcome the extra funding and the attention to rough sleepers’ support needs in the Protect Programme. However, we would like to see funding for all councils to bring everyone rough sleeping indoors again. This should be accompanied by clear instructions for local authorities to accommodate people who are normally ineligible or not in priority need – a public health response. We would also welcome renewed attention to long-term housing solutions, for new rough sleepers too, so that we can end homelessness sustainably. While it is positive that the Spending Review specifically mentions ending rough sleeping, it is unlikely that the

level of funding announced will meet this ambition. It provides less funding than previous years, at a time when rough sleeping is increasing.

Homeless People

- 28 New figures show that 18,911 people have moved into settled or supported accommodation since the ‘Everyone In’ response began.¹² This is positive; however, there remain around 1.6 million people on the social housing waiting list¹³ and 98,300 households in temporary accommodation in June 2020, including 127,240 children.¹⁴ This suggests there is an unmet need for homelessness prevention.
- 29 As vacant properties have not been available as usual during the crisis, there will be a backlog of people in temporary accommodation. It may be necessary to consider ways of allocating properties quickly to help move them on, such as direct lets.
- 30 Moreover, our research shows that around 3.8 million households have a housing need that would be best met by social rented housing.¹⁵ By investing in social rent and housing-related support, the government can extend its commitment to support anyone at risk of homelessness into sustainable, affordable housing beyond the RSAP.
- 31 The government’s highest single funding commitment to affordable housing in a decade is welcome.¹⁶ England needs to build 145,000 affordable homes per year, including 90,000 for social rent, costing roughly £12.8bn per year, to meet real housing need,¹⁷ and stop people risking homelessness or being stuck in temporary accommodation. The availability of affordable housing as a key element in preventing homelessness was also highlighted in the

¹² [MHCLG, Covid-19 Emergency Accommodation Survey: September, October 2020](#)

¹³ [NHF, People in housing need, A comprehensive analysis of the scale and shape of housing need in England today, 15 September 2020](#)

¹⁴ [MHCLG, Statutory Homelessness April to June \(Q2\) 2020: England, 29 October 2020](#)

¹⁵ [NHF, People in housing need, A comprehensive analysis of the scale and shape of housing need in England today, 15 September 2020](#)

¹⁶ [MHCLG, Press release: Jenrick unveils huge £12 billion boost for affordable homes](#)

¹⁷ [Bramley, G. \(2018\) Housing supply requirements across Great Britain: for low-income households and homeless people](#)

government's review of the Homelessness Reduction Act – prepared before the crisis but all the more relevant now.¹⁸

- 32 This investment should be alongside properly funded services for homelessness prevention and tenancy sustainment. By investing £1.6bn per year in housing-related support, and ring-fencing this money, the government can ensure that support is put on a firm footing. It will save money on public services and temporary accommodation,¹⁹ support good public health outcomes and help end homelessness.

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

Need for prevention

- 33 As noted, the crisis has put more people at risk of homelessness and rough sleeping. We have also seen a surge in domestic abuse,²⁰ which has now become the second cause of homelessness.²¹
- 34 The impact on the economy²² means a further spike in homelessness is a real risk. The Job Retention Scheme and Self Employment Income Support Scheme have clearly protected millions from the full impact of the crisis, and the Kickstart Scheme will help young people. However, groups already vulnerable to homelessness, including people with mental health needs, single parents and disabled people,²³ are likely to see their finances hit hardest²⁴ and face redundancy at higher levels than other groups.²⁵ They may risk homelessness unless their income is secured.

¹⁸ [MHCLG, Homelessness Reduction Act 2017: government response to the call for evidence, 25 September 2020](#)

¹⁹ [Frontier Economics, Financial benefits of investment in specialist housing for vulnerable and older people, September 2010](#)

²⁰ [SCIE, Domestic violence and abuse: Safeguarding during the COVID-19 crisis, June 2020](#)

²¹ [MHCLG, Statutory Homelessness, April to June \(Q2\) 2020: England, 29 October 2020](#)

²² [House of Commons Library, Coronavirus: Economic impact, 22 October 2020](#)

²³ [MHCLG, Statutory Homelessness, January to March \(Q1\) 2020: England, August 2020](#)

[MHCLG, Statutory Homelessness, April to June \(Q2\) 2020: England, 29 October 2020](#)

²⁴ [CPAG, Poverty in the Pandemic: The impact of coronavirus on low-income families and children, August 2020](#)

²⁵ [Citizens' Advice, An unequal crisis: Why workers need better enforcement of their rights, August 2020](#)

- 35 Other causes of homelessness also persist, including relationship breakdown,²⁶ family no longer able to accommodate and leaving institutions without housing.²⁷ To prevent these situations leading to homelessness, the government should invest in support services like tenancy sustainment, floating support, legal and benefits advice, opportunities to access or retain employment, family mediation and prison and hospital resettlement. These will be critical to preventing homelessness in the wake of the pandemic.
- 36 In order to continue to keep vulnerable people safe over the winter, we need a commitment to meet the additional costs facing supported housing providers and increased resources to keep vital services open, including testing and vaccines. The government should address the long-term, chronic underfunding of support services.

Impetus

- 37 The increase in temporary accommodation use in Q2 2020 was in the context of 'Everyone In', a concerted effort to bring rough sleepers into accommodation.²⁸
- 38 A second wave, if accompanied by the same drive to accommodate people would likely see a similar rise in single people in temporary accommodation. However, if the impetus and funding is lower, we are likely to witness increasing numbers of rough sleepers instead.
- 39 We acknowledge the announcement of funding for self-contained accommodation provision for rough sleepers during winter,²⁹ guidance for safe night shelter opening,³⁰ and the extra funding from the Protect Programme,³¹ but it is important that the same impetus from March to move people into safe accommodation is felt by stakeholders now. To date, there

²⁶ [Homeless Link, Policy Briefing, Preventing youth homelessness after COVID-19: lessons and opportunities from the crisis](#)

²⁷ [London Prisons Mission, Safe Homes for Women Leaving Prison, October 2020](#)
[Nacro, A Justice System Fit for the Future: Lessons from the Coronavirus Pandemic to Build a Fairer and Effective Path to Resettlement, August 2020](#)

²⁸ [MHCLG, Statutory Homelessness, April to June \(Q2\) 2020: England, 29 October 2020](#)

²⁹ [MHCLG, Press release: Rough sleepers to be helped to keep safe this winter, 13 October 2020](#)

³⁰ [MHCLG, Guidance: COVID-19: provision of night shelters, 13 October 2020](#)

³¹ [MHCLG, Press release: Jenrick launches 'Protect Programme': the next step in winter rough sleeping plan, 5 November 2020](#)

has not been a directive equalling the 'Everyone In' requirement from national government.

- 40 Housing associations will likely be involved in sourcing accommodation in partnership with local authorities. We are keen for this to be permanent accommodation. The funding should be available swiftly and be flexible. Consideration should be made for the other demands on housing association stock, such as rehousing families in temporary accommodation, people fleeing domestic abuse and people with medical and accessibility needs. There should be support for housing providers and local authorities to work together.

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

- 41 Housing associations have pledged not to evict anyone accruing rent arrears related to the crisis, if they agree a manageable way forward.³² We worked with MHCLG on this commitment. Possession action is initiated, as a last resort, for example, in situations where tenants are putting others in danger, such as severe anti-social behaviour, and alternatives like mediation have not stopped the risk.
- 42 Ministry of Justice data shows that possession claims by English social landlords (including local authorities) dropped by 95% from Q3 in 2019/20 to Q3 this year (16,823 to 876). Possession orders dropped by 99.6% over the same period (12,868 to 51). The comparable figure for private landlords are 71% fewer possession claims (5,813 to 1,663) and 98.9% fewer possession orders (4,450 to 47). Repossessions by county court bailiffs halted entirely in Q2 and Q3 2020/21.³³
- 43 It should be noted that many tenants leave after being issued a notice, a possession claim, or a possession order. Tenants who leave after receiving these, but before they are evicted by bailiff, are not recorded as evictions in public datasets.

³² [NHF, Housing associations' statement on support for residents affected by the coronavirus crisis, 21 August 2020](#)

³³ [MOJ, Mortgage and landlord possession statistics: July to September 2020](#)

44 In the April-June 2020 homelessness statistics, the end of a private rented tenancy is still the third reason for applicants being owed an HRA duty.³⁴

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

45 Housing associations have provided extensive support to residents affected by the crisis, including:

- benefits advice and increasing staff resources to support claims
- hardship and charitable funds and linking with charities
- employment and skills support
- mental health and wellbeing support
- compassion and understanding – for example, deferring rent payments, including during the five-week wait for UC.
- support for older or vulnerable residents – phoning residents to assess need.

46 Research shows that 82 social housing organisations have provided over £2.8 million in financial assistance, made 1.7 million welfare calls and provided over 340,000 residents with advice, guidance and 250,000 food interventions since the pandemic began.³⁵

Tenancy sustainment

47 The support housing associations have provided to residents helps them manage and stay housed. Supporting people into employment and training through job coaching and skills development³⁶ helps them pay their rent and bills. Housing associations are also supporting people with their mental health, which has been significantly affected by the crisis,³⁷ including support to cope with lockdown and the withdrawal of NHS services. This includes counselling and wellbeing checks. An increase in mental health needs can be linked to subsequent rent arrears,³⁸ so as well as taking pressure off

³⁴ [MHCLG, Statutory Homelessness, April to June \(Q2\) 2020: England, 29 October 2020](#)

³⁵ [Centre for Excellence in Community Investment \(2020\) The support continues](#)

³⁶ [NHF, How housing associations are supporting tenancy sustainment and income collection through the coronavirus crisis, August 2020](#)

³⁷ [NHF, Poor housing causing health problems for nearly a third of brits during lockdown, July 2020](#)

³⁸ [Nikki Bond, Katie Evans, Merlyn Holkar \(2018\) Where the heart is: social housing, rent arrears and mental health. Money and Mental Health Policy Institute](#)

community and acute mental health services, mental health support keeps people in their homes.

- 48 As well as pledging not to evict anyone for arrears built up during this crisis,³⁹ housing associations have approached resident rent arrears, income collection and working with residents around their tenancy conditions creatively and sensitively. They have used trauma-informed and person-centred approaches and been clear about expectations around rent payments.⁴⁰
- 49 Many housing associations have removed references to enforcement in income collection correspondence, which has led to increased resident engagement.⁴¹

Welfare

- 50 People whose income drops will rely on benefits to meet their immediate living costs. We still need to strengthen the benefits system so people can meet daily costs. The DWP should:
- Keep the additional £20 per week for UC beyond April 2021.
 - Suspend the household benefit cap.
 - Ensure people have enough to live on at the start of the claim.

Employment Support

- 51 Housing associations' local reach makes them well placed to deliver employment and skills, often in neighbourhoods where low-paid employment persists.⁴²
- 52 At the start of the crisis, we joined housing, employment and youth organisations, the public, charitable and private sectors and mayors and parliamentarians to call for a government Opportunity Guarantee, so that

³⁹ [NHF, Housing associations' statement on support for residents affected by the coronavirus crisis 21 August 2020](#)

⁴⁰ [NHF, How housing associations are supporting tenancy sustainment and income collection through the coronavirus crisis, 26 August 2020](#)

⁴¹ [NHF, How housing associations are supporting tenancy sustainment and income collection through the coronavirus crisis, 26 August 2020](#)

⁴² Dromey, J, Snelling, C and Baxter, D (2018) Building Communities that Work: The Role of Housing Associations in Supporting Work. IPPR Briefing: London

everyone who is unemployed will have the help they need to get into work, with investment in employment support, education, training and jobs.⁴³

53 The government has published details of the Kickstart Scheme. Over 100 social landlords have responded and are keen to offer young people high-quality employment. However, some housing associations have raised concerns that they are unable to refer and select their residents for the scheme.

54 To support employment, the government should:

- Bring together national departments and local housing partners to design and mobilise a response to the Chancellor's Plan for Jobs.
- Ensure employment support meets need across communities and enables social housing to deliver in partnership.
- Use the UK Shared Prosperity Fund to leverage long-term employment support for vulnerable households, in partnership with social housing.

⁴³ [Communities that Work, Opportunity Guarantee](#)