



# Government Response to the Housing, Communities and Local Government Select Committee report on protecting the homeless and the private rented sector

Presented to Parliament  
by the Secretary of State for  
Housing, Communities and Local Government  
by Command of Her Majesty

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# Introduction

The Government welcomes the Housing, Communities and Local Government Select Committee's sixth report following their inquiry into the impact of COVID-19 (Coronavirus) on homelessness and the private rented sector that was published on 31 March 2021. We are grateful to the Committee and all those that provided evidence.

## **Protecting the homeless**

The Government has made clear its ambition to end rough sleeping by the end of this Parliament. We are determined to build on the success of Everyone In to ensure that rough sleepers are supported away from a life on the streets for good. The Government took unprecedented steps during the pandemic to protect rough sleepers and those at risk of rough sleeping. This work has not stopped and by the end of January, we had supported over 37,000 people with over 11,000 in emergency accommodation and over 26,000 already moved on into longer-term accommodation.

On 17 September 2020, we announced allocations to local authorities to pay for immediate support to ensure that vulnerable people supported during the pandemic do not return to the streets. £91.5 million was allocated to 274 councils in England and on 29 October 2020, we announced allocations to local partners to deliver longer-term move-on accommodation through the Rough Sleeping Accommodation Programme. More than 3,000 new long-term homes for rough sleepers across the country have been approved, backed by Government investment of more than £150 million.

This support builds on the package of winter support announced last year. This included a £10 million Cold Weather Fund for all local authorities to bring forward COVID-secure accommodation and to keep vulnerable people safe from the cold. This was accompanied by a £2 million Transformation Fund for the voluntary sector.

Government support was extended through the Protect Plus Programme and we asked all local authorities to redouble their efforts to ensure that rough sleepers were safely accommodated, and that the opportunity was actively used to make sure that all rough sleepers were registered with a GP where they were not already. This included ensuring that they were factored into local vaccination plans in line with JCVI prioritisation for COVID-19 vaccinations. This was backed by £10 million provided to local authorities to ensure that the wider health needs of rough sleepers were addressed.

The Government's actions during the pandemic have kept people safe and achieved considerable progress towards our ambition of ending rough sleeping - the 2020 Rough Sleeping Annual Snapshot showed a 37% decrease from 2019. We know that there is more to be done to achieve our ambition and we will continue to work with partners across Government, in local Government, and in the voluntary and community sector to build on this progress to achieve our aim to end rough sleeping for good.

## **Protecting the private rented sector**

Furthermore, the Government has taken unprecedented measures throughout the pandemic

to support tenants and landlords. Initially, in March 2020, when public health guidance required us all to minimise our movement, the Government took decisive action to protect the 8.4 million households across the social and private rented sectors by introducing legislation to delay when landlords could evict tenants, as well as working with the Judiciary on a stay on all housing possession cases.

As the pandemic unfolded, the Government continued to develop measures which struck the right balance between protecting public health, supporting the most vulnerable and ensuring access to justice for landlords. The measures in the Coronavirus Act 2020 were extended and amended in August 2020, requiring landlords to provide a minimum of 6 months' notice, apart from in the most egregious cases that present the greatest strain. These measures, originally due to expire on 31 March 2021, were extended to 31 May 2021, alongside measures restricting bailiff enforcement.

In addition, this Government has provided an unprecedented package of financial support to enable renters to continue paying their rent. This includes spending of around £30 billion a year on housing benefits – more than any other OECD country as a proportion of GDP on housing support (2018 data). We have also extended the Coronavirus Job Retention Scheme until September 2021. This has been hugely beneficial to private renters, of whom 24% have been on full or reduced pay furlough at some point during the pandemic according to the English Housing Survey Household Resilience (Wave 2) data<sup>1</sup>.

Moving forward, in line with the wider roadmap, and alongside the roll out of the vaccination programme, there will be a transition from these emergency measures, as announced on 12 May. We will begin tapering down longer notice periods and will lift restrictions on bailiff enforcement from 1 June, helping the sector to prepare for future reforms.

As confirmed in the Queen's Speech, the Government remains firmly committed to longer term sector reform and abolishing Section 21 which will enhance renters' security and will ensure a Better Deal for Renters, whilst considering the needs of landlords. We will legislate but will make sure first that our legislation considers the impact of the pandemic, is balanced and achieves the right outcomes for the rented sector.

Taken together, the measures we have put in place, including restrictions on evictions and bailiff enforcement, new court rules and financial support have protected some of the most vulnerable in our society. However, as highlighted by the Committee, we recognise that there is still more to do. We will ensure lasting impact beyond the pandemic to provide clear routes out of homelessness and long-term security for those within the private rented sector.

## Protecting the homeless

### No recourse to public funds data

Recommendation one: *We do not accept the Government's reasoning for why it cannot produce figures on the number of people subject to the no recourse to public funds condition. The cost and*

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<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/978991/Household\\_Resilience\\_Study\\_Wave\\_2\\_November-December\\_2020\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978991/Household_Resilience_Study_Wave_2_November-December_2020_Report.pdf)

*administrative burden of doing so are not sufficient arguments, given how useful the data would be. Without transparent data, it is impossible to know how many people are subject to the condition, what support they need and how much it would cost to fund policy proposals. We recommend that the Government collect and publish data on how many people have no recourse to public funds, including how many of these people are estimated to be homeless, and the reasons for NRPF being imposed.*

### **Government response:**

We recognise the desire for the Government to publish data on the number of migrants in the UK who are subject to a no recourse to public funds (NRPF) condition at any given time, but there is no single figure which can be published to cover every possible case in the UK. This is not simply about cost and administrative burden; it is not possible to provide an accurate figure of the number of people in the UK who are subject to NRPF at any given time.

The NRPF condition applies to millions of visa applications, the vast majority of which are for visitors and other temporary migrants who would have no requirement to access funds during their stay. It also applies to those without status, many of whom may not be in touch with the Home Office.

Information captured by the Home Office for the purposes of NRPF does not account for people who have left the country, or all those in the UK without lawful status because many may not be in contact with the Home Office. Therefore, this information cannot be used to measure accurately all those subject to NRPF at any one time. The Home Office's Chief Statistician wrote to the Office for Statistics Regulation last July to set this out. His response can be found at:

<https://osr.statisticsauthority.gov.uk/correspondence/response-from-daniel-shaw-to-ed-humpherson-parliamentary-question-response/>

Only those who are normally or habitually resident in the UK are entitled to access benefits and social housing, reflecting their strength of connection to the UK. This includes those with indefinite leave to remain, refugees, protected persons and those granted discretionary leave.

Since July 2020, the Home Office has published the numbers of people who are on a Family or Human Rights route and apply to have their NRPF condition lifted, which is an indication of how many people may be impacted by the NRPF policy. The latest quarterly statistics were published in February and these show that in the fourth quarter of last year, 1,048 people on these routes had the NRPF condition lifted following a request made to the Home Office. This is a lower figure than the 4,563 who had the NRPF condition lifted in the first quarter immediately following the onset of the global pandemic. Further information can be found below:

<https://www.gov.uk/government/publications/immigration-protection-data-february-2021>

The Government recognises that some individuals within the homeless population may have an NRPF condition attached to their immigration status. At present, we do not collect data on the number of individuals with an NRPF condition estimated to be homeless.

The Rough Sleeping Snapshot gives a breakdown of the nationalities of individuals found to be

rough sleeping in England. The latest published data estimated that of those rough sleeping on a single night in autumn 2020, 472 people (18%) were EU (Non-UK) nationals and 128 people (5%) were from outside the EU and the UK. Further information can be found below:

<https://www.gov.uk/government/statistics/rough-sleeping-snapshot-in-england-autumn-2020/rough-sleeping-snapshot-in-england-autumn-2020>

## Local authority legal powers guidance

Recommendation two: *We call on the Government to return to the spirit of the early pandemic and recommit to Everyone In. This requires providing legal clarity for local authorities. We recommend the Government immediately issues clear guidance to local authorities stating that they can and should use their legal powers under the Local Government Act 1972 and NHS Act 2006 to find accommodation for those otherwise ineligible for support during a public health emergency. The guidance should clearly state that this applies whenever there is a lockdown or other strict national restrictions due to a public health emergency, whether for any current or further COVID-19 measures, or any other future pandemic. The Government should ensure that this guidance includes clear instructions on which funding streams can be used to support people with NRPF who are homeless or at risk of homelessness during the crisis.*

### Government response:

This Department has and continues to work with local authorities regarding support that can be offered to those individuals ineligible for statutory homelessness support under Part VII of the Housing Act 1996. This includes those with an NRPF condition attached to their immigration status.

The term 'NRPF' is often used in reference to a much wider group of people, not solely those with a specific NRPF condition attached to their immigration status. With regards to individuals who have an NRPF condition attached to their leave, on 28 May 2020 and 8 January 2021, the Department wrote to all Chief Executives of local authorities making clear that the rules around those with NRPF have not changed.

The Department's position remains that local authorities must continue to use their judgement in assessing what support they may lawfully give to each person on an individual basis, considering that person's specific circumstances and support needs.

This position aligns with the recent *Ncube v Brighton and Hove City Council* case [2021] EWHC 578 (*Admin*) where it was highlighted that in the context of the pandemic, there are discretionary powers local authorities could use, namely s.138 of the Local Government Act 1972 and s.2B of the National Health Service Act 2006 to support some individuals otherwise ineligible for statutory support.

It is not for the Department to advise local authorities on how they should use their wider social welfare powers, as it is for them to make an assessment of the applicable law based on individual circumstances. It is right that a local authority is responsible for satisfying itself that the action it proposes meets the individual's needs and that it is acting within its legal powers. Ultimately, these are locally elected councils and it is a matter for them to decide based on their local circumstances

and in accordance with the law.

The Committee has also recommended that the Government clarify what funding streams can be used to support people with NRPF who are homeless or at risk of homelessness during the crisis.

The Government committed over £700 million in 2020-21 and over £750 million in 2021-22 to tackle homelessness and rough sleeping, which includes funding to local authorities to manage the impacts of COVID-19. This funding has meant local authorities can continue to provide essential services and support to those who need it.

We have previously been clear that this funding can be used to support anyone, including those with NRPF, as long as local authorities act within the law in doing so.

## Ending rough sleeping commitment

Recommendation three: **We recommend that the Government creates a cross-Government task force to resolve the conflict between the commitment to end rough sleeping and the current policy on the no recourse to public funds condition.** *This will require collecting data on the number of people affected and their specific circumstances. It must involve both Ministers and officials from the Ministry for Housing, Communities and Local Government and the Home Office with the goal of presenting a policy proposal which will help individuals with no recourse to public funds to be supported off the streets and prevented from returning. We suggest that policy options to be explored could include: abeyance while individuals in hardship are helped into the private rented sector and employment; placing a duty on local authorities to actively intervene and find solutions; or helping people return to their country of origin where that is their preferred option. The task force must be more than a talking shop; we would expect given the urgency of the Government's 2024 deadline that the task force should report by the end of 2021, with its policy proposal in force by 2022.*

### Government response:

The Government is committed to ending rough sleeping. The Department will be working with partners across Government, including the Home Office, to build on recent progress and consider what more needs to be done to end rough sleeping, which will consider the role of immigration policy and practise.

This will build on existing work including the Rough Sleeping Support Service, which was established by the Home Office to support non-UK national rough sleepers by helping resolve their immigration status.

In the interim, the Department continues to work with the Home Office on non-UK national rough sleepers.

Recommendation four: *No formal review of the Government's manifesto commitment to end rough sleeping has yet happened, due to the pandemic.* **We recommend the Government appoints a successor to Baroness Casey within the coming months to lead the review. This important work should not be delayed any further.** *The review must focus on learning lessons from the*



*successes of Everyone In, most important of which is that, given a clear mandate and funding, we have the means to end most rough sleeping in this country. The Government must also reflect on its new data which shows for the first time that the scale of the problem of those rough sleeping or at risk of doing so is much higher than previously estimated.*

#### **Government response:**

When the pandemic began in March 2020, Baroness Casey volunteered to lead the government's response to keep rough sleepers safe and subsequently led the COVID-19 Rough Sleeping Taskforce to deliver the next steps following the emergency response. We are very grateful to Baroness Casey for the vital role she played in our response to COVID-19. Baroness Casey stepped back from her role as the head of the Rough Sleeping Taskforce in August 2020 once we had dealt with the immediate issues and established a clear roadmap for supporting rough sleepers into more settled accommodation – and we are continuing this critical work.

Since then, as we have been continuing to manage the response to the pandemic, it has not been the right time to return to the planned independent review. However, the Government is committed to ending rough sleeping within this parliament.

The department will be working with partners across government and the sector to build on recent progress and consider what more needs to be done to end rough sleeping. We will carefully consider the role of health, justice, immigration and employment, alongside housing and how the department will build on the already significant success of Everyone In.

This work will be underpinned by robust data and evidence. The annual rough sleeping snapshot provides a way of estimating the number of people sleeping rough on a single night in Autumn each year and assessing change over time. The latest 'Everyone In' figures provide an estimate of the number of people currently in emergency accommodation, as well as those who have moved into settled accommodation or a rough sleeping pathway outside emergency accommodation. The data sets are collecting different information for specific purposes, have different methodologies and are not comparable.

## **Next Steps Accommodation Programme**

**Recommendation five: We ask the Government to update us on whether it has achieved its target of delivering 3,300 housing units by March 2021 through its Next Steps Accommodation Programme.**

#### **Government response:**

In May 2020, the Government announced the decision to accelerate delivery of the Rough Sleeping Accommodation Programme in response to the Covid-19 pandemic, and in recognition of the need for move-on homes for those in emergency accommodation following the success of the "Everyone In" initiative. This £433m programme to deliver 6,000 homes and support to former rough sleepers represents the largest ever investment in move-on accommodation.

On 29 October 2020 we confirmed allocations of funding, subject to due diligence, to 276 schemes

to deliver up to 3,348 homes with support. Funding allocations were published at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/930786/RSAP\\_allocations.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/930786/RSAP_allocations.pdf)

Local authorities, registered providers and their partners have shown strong commitment to delivering move-on accommodation and to supporting our aim of ending rough sleeping. However, they have faced considerable challenges to delivery of their schemes in 2020-21, in the context of the coronavirus pandemic and associated restrictions. Our delivery partners, the Greater London Authority and Homes England, have been working closely with local schemes to monitor and drive delivery inside and outside London respectively.

In some cases, individual project completion timescales have moved beyond 31st March as a result of unforeseen or unavoidable delays, or schemes have withdrawn where delays or challenging market conditions now make them undeliverable. Homes England and the GLA, are continuing to drive delivery of these units and we will update the committee in due course, following the completion of all units from the allocations announced in October 2020.

This Government remains committed to investing in delivering move-on accommodation for this cohort. In March, we launched the next round of the Rough Sleeping Accommodation Programme with a further £212m available to councils and housing associations to bring forward move-on accommodation and support for rough sleepers. These homes are long-term assets which will support multiple rough sleepers. Government is committing funding up to 23/24 to ensure those in RSAP units receive ongoing support, including to help prepare them for a move into PRS or wider social housing.

## Increasing affordable housing

Recommendation six: *The Government will fail in its homelessness objectives if it continues to oversee the delivery of just a few thousand social rent homes a year. The ongoing shortage of social housing is a clear, long-term obstacle to finding suitable accommodation for people suffering homelessness, as well as forcing local authorities to spend hundreds of million pounds to house families in temporary accommodation with no end in sight. Similarly, there are insufficient affordable options in the private rented sector. The Government continues to believe—without evidence—that its tenure-blind target of 300,000 is sufficient to meet its homelessness goals. We reiterate our recommendation from our report into social housing that the Government must invest in a social housebuilding programme that will deliver 90,000 social rented homes a year for at least the next ten years.*

### Government response:

Time spent in temporary accommodation means people are getting help and it ensures no family is without a roof over their head. The Government is committed to reducing the need for temporary accommodation by preventing homelessness before it occurs. In 2021-22 local authorities are receiving £310 million through the Homelessness Prevention Grant. This funding represents a £47 million increase on the previous year and can be used to offer financial support for people to find a new home, to work with landlords to prevent evictions, or to provide temporary accommodation

where homelessness cannot be prevented. This underlines the government's commitment to fully enforcing the Homelessness Reduction Act by ensuring councils have the funding they need to prevent homelessness and help more people sooner.

The Government is committed to increasing the supply of affordable housing and are investing over £12 billion in affordable housing over 5 years, the largest investment in affordable housing in a decade. This includes the new £11.5 billion Affordable Homes Programme, which will provide up to 180,000 new homes across the country, should economic conditions allow. This programme will unlock a further £38 billion in public and private investment in affordable housing. New homes will be made available from next year.

This builds upon the success of our £9 billion Shared Ownership and Affordable Homes Programme, running to 2023, which will deliver approximately 250,000 new affordable homes.

We're committed to delivering affordable homes of a variety of tenures so that we can support a range of people in different circumstances and stages in their lives.

The new Affordable Homes Programme will deliver more than double the social rent than the current programme, with around 32,000 social rent homes due to be delivered. Approximately half of the homes delivered will be for affordable home ownership, supporting aspiring homeowners to take their first step on to the housing ladder.

Since 2010, we've delivered over 517,100 new affordable homes, including over 365,800 affordable homes for rent, of which 148,000 homes for social rent.

## Protecting the private rented sector

### Legislating to prevent evictions and transition out of the emergency measures

Recommendation seven: *The Government is in danger of breaking its pledge that no one should lose their home as a result of the pandemic. We have seen no satisfactory evidence for why the Government changed the definition of substantial rent arrears to permit tenants who have built up arrears only during the pandemic to be evicted. It is also worrying that this significant change was not debated in the House until two weeks after the Regulations came into force. We call on the Government to publish a proper exit plan for the private rented sector from national and local restrictions. The Government has tinkered regularly with the eviction framework, usually at the very last minute. Now the Government has published its roadmap for how to exit national restrictions, hopefully for the final time, it should set out how it intends for the sector to transition out of the pandemic.*

**Government response:**

#### **Protecting renters from eviction**

The Government has introduced an unprecedented set of measures to prevent people from losing

their homes as a result of the COVID-19 pandemic. Measures taken included a six month stay on possession proceedings, restrictions on bailiff enforcement and a requirement for landlords to give tenants longer notice periods before starting possession proceedings in most circumstances. New court rules require landlords to set out any information they are aware of in relation to how their tenant, or any dependant of their tenant, has been affected by the coronavirus pandemic when bringing a possession claim to court. A new review date, four weeks before the substantive hearing, has been introduced, which enables tenants to access advice earlier.

The data shows that our package of support has, and is, preventing evictions. The Ministry of Justice reported that applications to the courts for possession by private and social landlords between January and March 2021 were down 74% compared to the same quarter in 2020. And only 812 repossessions were recorded between April 2020 and end March 2021 compared to 29,347 over the same period in 2019-20<sup>2</sup>.

It has been necessary to be responsive to the evolving public health situation and make important decisions at pace. We recognise that this resulted in a number of extensions to the COVID-19 measures to protect renters. We needed to respond to the public health context and the legislative powers related to preventing the transmission of the virus. It was not possible to say what the public health advice might be significantly into the future. We have kept the situation under constant review and responded in a way that is fair to tenants and landlords and ensures the ongoing stability of the private rented sector.

## **Definition of substantial rent arrears**

In January 2021, we redefined the definition of substantial rent arrears to rent arrears of more than six months within the regulations restricting bailiff enforcement to balance the impact of the ongoing restrictions on landlords with the need to continue to protect tenants. This is important to the ongoing health and stability of the private rented sector. Many landlords have mortgages on their properties and although mortgage holidays have been available, in the longer-term their situation could become untenable, disrupting the market. It is not helpful to either the tenant or the landlord for the tenant to remain in a property that they cannot afford, accruing more arrears.

The English Housing Survey Household Resilience Study (Wave 2) found that in November-December 2020, the vast majority of private renters (91%) were up to date with rent payments and that two-thirds of those who were in arrears have fallen less than two months behind in their payments. The majority of tenants would therefore be protected by the restrictions on bailiff enforcement.

Even where an exemption does apply, bailiffs will not carry out an eviction if they are made aware that anyone living in the property has COVID-19 symptoms, is self-isolating or has been identified as Clinically Extremely Vulnerable. Tenants are also able to apply to suspend an eviction where they have grounds to do so.

## **Transition out of the pandemic**

Moving forward, our primary consideration remains to mitigate the ongoing risk to public health

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<sup>2</sup> <https://www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics>

of COVID-19 transmission and reduce pressure on public services, while preparing the sector for long-term reform. In response to the improving public health situation, and the rollout of the vaccination programme, we will begin to lift emergency measures from 1 June 2021.

As a first step, we will lift the ban on bailiff enforcement when the current regulations expire on 31 May 2021. Given the requirement in most cases to provide 14 days' notice of the enforcement of an eviction, evictions are not expected to resume until mid-June, except in the most egregious cases. The restrictions on bailiff enforcement were necessary to protect public health at the height of the pandemic but they could only ever be temporary. Preventing landlords from enforcing evictions is not the best way to support renters or the rental market. It is right for landlords to be able to access justice, particularly in cases where warrants pre-date the pandemic and landlords have been waiting many months to enforce a possession order.

We also want to ensure that local authorities are engaging with those tenants who need support earlier in the process than when the bailiff knocks on the door. That is why we are supporting tenants at risk of homelessness to receive the support they need as early as possible. As set out above, we have provided over £750m to tackle homelessness and rough sleeping in 2021-22.

Tenants will continue to benefit from longer notice periods, giving them more time to make alternative arrangements. We will keep these protections in place until 30 September 2021 but will begin tapering down measures from 1 June 2021 so that protections for renters do not fall away suddenly. From 1 June 2021, notice periods for Section 21, non-egregious Section 8 grounds and rent arrears of less than four months' rent will reduce to 4 months. The most serious cases such as anti-social behaviour, domestic abuse in the social sector, and false statement have already been returned to normal lengths, and we will be adding 'breach of immigration rules' (no right to rent) and 'death of a tenant' to the list of grounds now requiring pre-COVID notice periods.

The threshold for what constitutes 'serious rent arrears' will also be reduced from six months' arrears to four months' arrears from 1 June and the notice period for serious rent arrears will remain at 4 weeks until 1 October. The vast majority of tenants will remain protected since our data shows that 91 per cent of private renters were up to date on their rent when surveyed in November to December last year and, of these, most are in arrears of less than 2 months' rent.

Then from 1 August, notice periods for arrears of less than 4 months' rent will further reduce to 2 months. This second tapering point for non-egregious rent arrears will mitigate the risk of perverse incentives, where landlords would be able to gain possession more quickly by waiting to serve notice as the drop to pre-COVID levels (2 weeks) is much greater. This could place undue pressure on public services.

Our intention is that notice periods will return to their pre-COVID lengths from 1 October 2021 unless the public health situation warrants a further extension, which we will keep under review. This is a proportionate approach, responding to the improving public health situation and the easing on national lockdown restrictions by allowing landlords quicker access to justice, while recognising the ongoing risk of COVID-19 transmission, the risk of public services being overwhelmed and the need for enhanced protections for tenants. The Coronavirus Job Retention Scheme will continue to provide financial support until 30 September 2021.

We recognise that tenancy law can be complicated to understand and that many landlords and

tenants rely on getting advice. That is why we have worked with stakeholders to keep them updated on the legislation. We have also regularly updated our online guidance on renting during the pandemic and our court user guidance to explain the situation in as simple terms as possible and we will continue to do so.

## Financial support

**Recommendation eight: We call on the Government to deliver a specific financial package to support tenants to repay rent arrears caused by COVID-19, having considered the examples in Scotland and Wales as well as many other international examples. This should be one of the Department's top priorities.** *Several options have been proposed—we prefer modified discretionary housing payments—but what is important is that the Department delivers a package soon. Helping tenants pay their rent arrears, including consideration of paying direct to landlords, is the simplest and most straightforward way to avoid evictions and help landlords receive income. We received an estimate that such a rent arrears relief package will likely cost between £200 and £300 million. Given the number of potential evictions this would prevent, it would likely save the Exchequer a substantial amount in homelessness assistance.*

**Recommendation nine: The Government should review its decision to freeze Local Housing Allowance rates by maintaining the 30th percentile in cash terms only, and instead keep rates indexed at the 30th percentile long-term.** *This will help households across England to afford their rent.*

**Recommendation ten: We also call on the Government to temporarily boost funding to discretionary housing payments to meet the needs of the tens of thousands of households who are receiving no extra income from welfare increases due to the benefit cap.** *This will further protect households from falling into rent arrears because of the pandemic.*

### Government response:

This Government has provided an unprecedented package of financial support to protect renters whose income has been affected throughout the COVID-19 pandemic. To help prevent people getting into financial hardship, we increased the local housing allowance (LHA) in April 2020 to the 30th percentile of local market rents in each area at a cost of almost £1 billion. The increased LHA rates will be maintained at the current levels in cash terms in 2021-22, even in areas where the 30th percentile of local rents has gone down. Over 2020-21, this has already provided 1.5 million claimants with around £600 more housing support than they would otherwise have received.

We have also boosted the welfare system by billions of pounds, including increasing Universal Credit and Working Tax Credit by up to £1,040 for 2020-21. We spend around £30 billion a year on housing benefits – more than any other OECD country as a proportion of GDP on housing support (2018 data). In the 3 March Budget, the Chancellor of the Exchequer announced a 6-month extension of the £20 per week uplift to Universal Credit, alongside a one-off £500 payment to eligible Working Tax Credit claimants.

We have engaged our counterparts in the Devolved Administrations throughout the pandemic, and will continue to work closely with them to share learning on how best to support tenants,

including learning from the loan schemes offered in Scotland and Wales. We believe the targeted interventions this Government already has in place, which are all forms of non-repayable support, offer an appropriate and sustainable form of help for vulnerable renters, avoiding tenants taking on further debt to cover arrears.

For 2021-22 the Government has made available £140 million in Discretionary Housing Payments funding for local authorities in England and Wales to distribute to help support vulnerable people with housing costs, building on the £180 million provided in 2020-21. The level of funding for 2021-22 reflects the increase to LHA rates. We recognise that 2020-21 has been a challenging year for all local authorities, with some unable to spend their allocation due to local restrictions including office closures and staffing and resource pressures as a result of local authorities being at the forefront of the delivery of critical support measures during the pandemic. During 2020-21 we closely monitored spend as we expected additional government support provided in response to the pandemic to be wound down and a potential increase in demand for DHPs. However, support such as furlough and extended notice periods were continued and will now not be wound down until later on in the year. We now expect to see an increase in demand in 2021-22.

In addition, the Coronavirus Job Retention Scheme has offered support for businesses to pay staff salaries, enabling people to continue to pay their rent and has been extended until September 2021. Official data shows that the Government's support has been effective in helping tenants stay in their homes during the pandemic. The latest homelessness statistics covering the period October – December 2020 show a 40% decrease in households owed a homelessness duty due to the end of an Assured Shorthold Tenancy compared with the same period in 2019. In addition, the English Housing Survey Household Resilience Survey (Wave 2) shows that the vast majority (91 per cent of private renters) were up to date on their rent when surveyed in November to December last year and of these most are in arrears of less than 2 months' rent.

The Government will continue to monitor the effectiveness of our extensive financial support in protecting tenants and landlords, including through the English Housing Survey Household Resilience Study<sup>3</sup>.

## The Renters Reform Bill

Recommendation eleven: **The Government must introduce the Renters' Reform Bill urgently.** *The Government does not want to introduce the Renters' Reform Bill until the pandemic has finished, but this is at odds with the approach the Government has taken with NHS reforms. The Health Secretary told the House that the pandemic made the reforms "more not less urgent". The same logic applies to the Renters' Reform Bill and the urgent need to remove section 21 'no fault' evictions. If the Government does not abolish section 21 before we come out of the pandemic, there will be serious consequences for renters.*

### Government response:

As set out in the 2021 Queen's Speech, the Government is committed to delivering a Better Deal for Renters, including abolishing Section 21 'no fault' evictions to improve security for tenants, as well as strengthening repossession grounds for landlords when they have valid grounds.

<sup>3</sup> <https://www.gov.uk/government/collections/english-housing-survey>

These proposals will be the largest change to renting in 30 years and it is only right that the Government takes the time to deliver a balanced set of reforms, and to allow time to consider the impact of the pandemic on the sector. In the coming months, the Government will work with key sector voices to inform reforms of how the private rented sector operates in England, and to learn lessons from our emergency response measures during the pandemic.

We have already consulted on Section 21 reform, in the 'A New Deal for Renting: Resetting the Balance of Rights and Responsibilities Between Landlords and Tenants' consultation. This received almost 20,000 responses and sought views on the best way to provide tenants with greater security, but also ensure that landlords are able to recover their properties where they have valid reasons to do so. The Government will publish our consultation response later this year.

The Government will bring forward a White Paper in the Autumn, focussed on delivering our commitments to abolish Section 21, while reforming possession grounds so that landlords can regain possession where it is fair and reasonable to do so, alongside further proposals to support tenants and landlords. We expect the White Paper will cover:

- Reforming tenancy law to remove Section 21 of the Housing Act 1988 and to amend the possession grounds under Section 8 of the Act, so that landlords can regain their property where it is fair and reasonable to do so, for example where they need to sell or move into a property;
- Introducing a new 'lifetime' deposit model to ease one of the key burdens when tenants need to move, while balancing landlords' needs of a deposit scheme;
- Requiring all private landlords to belong to a redress scheme, to drive up standards in the private rented sector and ensure that all tenants have a right to redress;
- Considering further reforms of the private renter sector enforcement system so it is well targeted, effective and supports improvements in property conditions. This will include a set of measures to hold bad landlords to account for delivering safe and decent housing to tenants without penalising good landlords; and
- Exploring improvements and possible efficiencies to the possession process in the courts, to make it quicker and easier for landlords and tenants to use.

We welcome the Committee's views on this in due course.