



Government Response to the Housing, Communities and Local Government Select Committee Report on Protecting Rough Sleepers and Renters



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



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ISBN 978-1-5286-1990-5

CCS0620724508

06/20

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

Introduction

The Government welcomes the Housing, Communities and Local Government Select Committee report that was published on 20 May 2020 following their inquiry into the impact of COVID-19 (Coronavirus) on homelessness and the private rented sector. We are grateful to the Committee and all those that provided evidence for their work.

We have carefully considered the evidence, findings and recommendations of the report and agree that the momentum built over the last two months to support those who find themselves sleeping rough must not be lost. That is why the Government has taken decisive action in all three areas the Committee has focused on.

COVID-19 is first and foremost a public health emergency, and as such requires a public health response. The Government has, and continues to, work with local authorities to support rough sleepers away from the streets and provide them with an offer of accommodation.

To support this, the Government initially announced £3.2 million emergency funding as a first step to help local authorities and frontline services. The Government later announced funding totalling £3.2 billion to local authorities to allow them to meet local pressures resulting from COVID-19, including protecting the most vulnerable and rough sleepers.

Thanks to the hard work of local authorities, agencies and the homelessness sector around the country, nearly 15,000 rough sleepers have been housed in emergency accommodation, including hotels, since the start of the COVID-19 lockdown period. This includes people coming in directly from the streets, people previously housed in shared night shelters and people who have been at imminent risk of rough sleeping during the pandemic.

Building on the considerable success so far, we announced that Dame Louise Casey is spearheading a Taskforce to lead the next phase of the Government's support for rough sleepers during this pandemic. The Taskforce has one overriding objective: to ensure that as many people as possible who have been brought in off the streets in this pandemic do not return to the streets. On 24 May we announced plans for thousands of long-term, safe homes to support many of the vulnerable rough sleepers who have been supported during the COVID-19 pandemic. Here, vulnerable rough sleepers will be able to get the specialist support they need to rebuild their lives. This unprecedented commitment is backed by £160 million in 20/21 to inject 3,300 new units of accommodation this year, part of 6,000 in total.

In addition to this, on 24 June we announced that we are providing local authorities with an additional £105 million to enable them to support the nearly 15,000 people placed into emergency accommodation during the COVID-19 pandemic, and to ensure that as few of these people as possible return to the streets. The funding will cover a range of interventions, from moves into the Private Rented Sector, to supporting individuals to reconnect with friends or family.

Once the scale of the pandemic became clear, the Government also took immediate steps to protect renters and has worked to reduce the risk that anyone loses their home as a result of COVID-19. These steps recognised the need to protect renters but also the need to ensure that the vital services provided by landlords can continue to be funded through rents.

To this end, the Government has taken decisive action to ensure the 8.6 million households across the social and private rented sectors are protected from having to leave their property at a time when public health guidance requires us all to minimise our movement.

We are supporting those at risk of homelessness through the injection of over £6.5 billion into the welfare system, which will mean more households in temporary accommodation are able to find a settled home in the private rented sector that they can afford. This includes a rise in the Local Housing Allowance rate which will give nearly £1 billion additional support to support renters. This is in addition to the wider Government support package to protect jobs. The Coronavirus Job Retention Scheme covers 80% of the salaries of furloughed employees up to a total of £2,500 a month, as part of a cash injection of more than £30 billion for employers, with similar support for those who are self-employed.

Taken together, the measures we have put in place have protected the most vulnerable and delivered certainty and security for renters and landlords during the current period.

Protecting Rough Sleepers

Funding an exit plan

Recommendation one: This is a golden opportunity to end rough sleeping in England once and for all. The Government's taskforce must estimate the cost of a housing-led solution with appropriate wrap-around support, using the expertise of charitable organisations and local councils. We received evidence that this is likely to be £100 million a year at a minimum. The Government must provide this as a dedicated funding stream to councils to ensure these people are accommodated safely and securely. As part of this, the Government should publish the results of the Housing First pilots and accelerate delivery of Housing First across the country, to help increase the availability of wrap-around support services alongside good-quality accommodation.

Increasing housing availability in the short term

Recommendation three: The Government must ensure that rough sleepers do not end up back on the streets due to a lack of suitable housing. We recommend the Government act to boost the immediate availability of appropriate supported housing, by providing targeted grant funding for councils and housing associations to acquire properties. The Department should work with the Local Government Association and the National Housing Federation and others on the design of this scheme, including how to target it at both existing properties and those close to completion which may no longer be in demand, using the National Clearing House Scheme from 2008 as a starting point. We also ask the Government to remove restrictions on Right to Buy receipts, so councils can use different pots of funding together and use 100% of sales to fund these acquisitions, as well as extending the deadline for their use from three years to five years.

Government response:

The Government agrees that for many rough sleepers a housing-led solution with provision for wrap-around support is required. We are committed to ensure that as many people as

possible who have been brought in off the streets in this pandemic do not return to sleeping rough. The Government continues to engage with the Local Government Association, the National Housing Federation and other stakeholders as we look to support rough sleepers beyond the COVID-19 pandemic.

To drive this work forward, we have established a Taskforce spearheaded by Dame Louise Casey and supported by expert advisers with extensive experience in supporting the most vulnerable in society. The Taskforce is already working closely with local authorities and agencies from across the homelessness sector, businesses, faith groups, local communities and charities, as well as across central government.

We announced on 24 May radical plans to provide thousands of long-term, safe homes for vulnerable rough sleepers taken off the streets during this pandemic. This ambitious commitment will be backed by £160 million this year through accelerating plans for the £381 million announced for rough sleeping services at Budget, bringing the total to £433 million over the lifetime of this Parliament. This funding will support up to 6,000 rough sleepers into longer term accommodation, with 3,300 units of this accommodation becoming available in the next 12 months. Homes England, in partnership with MHCLG, have pledged to work hand-in-hand with leading housing associations and local authorities to deliver this.

Of the £160 million in 2020/21, £130 million is capital funding for the acquisition or renovation of homes and £30 million is revenue funding to pay for tenancy sustainment support. We recognise the importance of a sustainable move-on recovery from rough sleeping. Once in their new home rough sleepers will be supported by specialist staff to access the help they need, such as support for mental health and substance abuse problems, moving towards training and work. For individuals with the most complex needs, this support, where appropriate and as part of a local response, could follow a Housing First approach. We will publish further information on the process to allocate funding in due course as this is being developed with partners.

Of course, we also recognise that it is important to also to look at interim solutions for rough sleepers whilst longer-term options are developed. We continue to explore this and are working with national organisations to do so, alongside councils. Interim accommodation is being committed by a number of providers. The taskforce will continue to work with partners on this to seek to provide a range of options appropriate to need and at pace. Interim solutions are important to ensuring people do not return to the streets.

To support this effort on 24 June we announced that we are providing local authorities with an additional £105 million. The funding will cover a range of interventions, from moves into the Private Rented Sector, to supporting individuals to reconnect with friends or family.

Clarification of figures for accommodation funding and “Everyone In” initiative

You have also asked for more information on how the 6,000 additional new housing units relates to the number of rough sleepers who have been sheltered under the ‘Everyone In’ initiative.

The figure of 6,000 new homes is not based on the first estimate of 5,400 people in emergency accommodation as part of our “Everyone In” response but was announced on 27th February 2020 by the Prime Minister. This goal of up to 6,000 units came about as a

result of consultation with registered providers, local authorities, the voluntary sector, and previous experience of delivering comparable funds including the Move-On Fund and represents what we estimate to be deliverable within the capacity of the sector over the remainder of this Parliament.

The recent announcement of 3,300 move-on homes marks an acceleration in the delivery of the 6,000 units in that original announcement as part of our response to the COVID-19 pandemic.

This will be one of a number of move-on options for rough sleepers in emergency accommodation.

Housing First

With regards to Housing First, this project has an impressive international record in helping people with complex needs to recover and stay off the streets for good, which is why we awarded £28 million to pilot it in three contrasting urban areas (Liverpool City Region, Greater Manchester and West Midlands). While Housing First will not be appropriate for everyone, we strongly support the concept of providing stable, affordable housing alongside other forms of wrap-around support. As well as Housing First, we have funded other housing-led solutions through the Rough Sleeping Initiative (RSI). Together, these programmes are getting some of the most vulnerable people off the streets, supporting their recovery from a variety of complex issues and helping them to sustain their tenancies.

To be certain that we can fully assess the wider implementation of Housing First in this country, we took the decision to pilot at scale in three city regions with contrasting challenges. We also commissioned a consortium, led by ICF, to conduct an evaluation of the programme which will run for the course of the pilots. We recognise that rough sleeping is a nationwide challenge, which is why it is important that we consider the findings of our evaluation, together with the outcomes from our three pilots, to ensure that we know how Housing First could be most effective on a larger scale. Our experiences from the pilots will therefore help to inform the next steps for the programme.

Right to Buy

We have listened to local authorities and are aware that COVID-19 may impact their house building programmes and, in turn, the ability to spend their Right to Buy receipts within the permitted three years. We therefore wrote to local authorities on 12 June extending the next deadline, giving local authorities an additional 6 months in which to spend their Right to Buy receipts. We will continue to liaise with local authorities over coming months.

More broadly, we are considering the responses to our consultation on Right to Buy receipts, and the proposals to enable authorities to make better use of the receipts.

Support for rough sleepers with no recourse to public funds

Recommendation two: We appeal on humanitarian grounds for the Government to improve its support to councils for people with no recourse to public funds during this crisis, or hundreds will return to the streets with potentially disastrous consequences. We recommend that the Government should guarantee it will compensate councils for provision offered to

rough sleepers with no recourse to public funds as a result of the current crisis. While the Government believes the legal position is clear, local authorities do not. In addition, we ask the Government to urgently publish guidance on councils' use of discretion in these circumstances and clarify what people can or cannot claim when they have no recourse to public funds.

Government response:

Some of the individuals currently accommodated across the country under this initial emergency approach are non-UK nationals without recourse to public funds.

Local authorities have powers to use their judgment in assessing what support they may lawfully give to each person on an individual basis, considering that person's specific circumstances and support needs. Local authorities will already be used to making such judgements on accommodating individuals who might otherwise be ineligible, during extreme weather for example, where there is a risk to life.

Local authorities also have powers to provide basic safety net support, regardless of immigration status, if it is established that there is a genuine care need that does not arise solely from destitution, for example, where there are community care needs, migrants with serious health problems or family cases.

The Committee has recommended that the Government clarify what people are able to claim when they have a 'no recourse to public funds' condition. The Government published guidance in April and a factsheet in May which explains the support individuals can receive if they do not have access to public funds. These pieces of guidance are available on the Government's gov.uk website and provides information on the support available in a range of different circumstance, including for those in need of medical treatment, that cannot afford housing costs, asylum seekers, victims of domestic abuse and those that are either employed or studying.

The Committee also recommended that the Government compensate local authorities for the support they have provided rough sleepers with a NRPF condition. As the Committee will be aware, local authorities have received £3.2 million in emergency funding for local authorities to support vulnerable rough sleepers. As the pandemic progressed, the Government provided councils across England with £3.2 billion to manage the impacts of COVID-19, including supporting homeless people. The funding has meant councils can continue to provide essential services and support to those who need it the most. This includes getting rough sleepers off the street and financial assistance for services helping those most vulnerable.

Additionally, the measures introduced by the Government to protect tenants in the private and social rented sectors from eviction during this national emergency, coupled with the stay on housing possession proceedings in the courts, apply to all tenancies and will help people maintain their homes and prevent homelessness and rough sleeping.

In terms of move-on options for non-UK nationals, many of whom are EEA nationals and may not be in employment, the Government has already temporarily, suspended the EU derogation in Greater London, Luton, Bedford and Milton Keynes based on the high numbers of EEA nationals in those areas. The suspension of the derogation began in

September 2019 and is in place until 31st December (until the end of the transition period), at which point new rules will apply under the new immigration system.

The UK currently applies an exemption (derogation) from Article 24(2) of the Free Movement Directive to the need for equal treatment between UK and EEA citizens who are exercising free movement rights during their initial three months in the UK and when they are here as 'jobseekers' (as defined by the Immigration (European Economic Area) Regulations 2016).

In practical terms this approach has enabled the affected local authorities to provide access for existing rough sleeping to services in those areas. It has allowed individuals that meet the criteria to access these services, however, it does not extend to statutory services or welfare benefits.

This has meant that EEA nationals who meet the criteria are eligible to 'queue' for local authority non-statutory homelessness services, such as night shelters etc, on the same basis as UK national rough sleepers. Each job seeking EEA national who is sleeping rough in these areas could access:

- a. 3 months accommodation
- b. Floating support, such as help looking for employment or accommodation

Protecting Renters

Legislating to prevent evictions

Recommendation four: Unless the Government amends existing housing legislation, its plans to introduce a pre-action protocol to the private rented sector will be toothless and will fail to prevent a cliff edge of evictions once the moratorium on possession cases ends. We recommend the Government bring forward legislation to amend the 1985 and 1988 Housing Acts to allow judges to use discretion where a tenant is in rent arrears due to the coronavirus crisis for the next 12 months at a minimum. Discretion could include consideration of whether a pre-action protocol has been complied with. These amendments should be delivered through a short Bill—such as we have proposed—which must be introduced to Parliament as soon as possible.

Government response:

The Government recognises the need to plan the phasing out of measures in a proportionate way that supports tenants and landlords to ensure fairness in the rental market.

The Government remains committed to bringing forward legislation to deliver its planned reforms to enhance renters' security, including by abolishing so-called 'no-fault' evictions. However, the proposals for tenancy reform would represent the largest change to renting in 30 years and it is only right that these reforms are taken forward in a considered manner. In the interim, we have legislated, through the Coronavirus Act 2020 to require landlords to

give at least three months' notice to evict tenants. This legislation is in place until 30 September 2020 with the option to extend.

In addition, and in light of the ongoing need to protect tenants and to ensure the safe operation of the courts, the decision has been taken to extend the suspension of evictions from social or private rented accommodation by a further two months. The two-month extension will come into force on 25 June, ensuring there's no gap between the existing ban on possession proceedings and the extension. This gives renters certainty and security that they will not be evicted from their home this summer.

We share the Committee's desire to prevent an increase in evictions once the moratorium on evictions ends. We are exploring a number of options, including a pre-action protocol for claims for possession by private landlords, in supporting parties to work through issues. The Government is working with the judiciary, legal representatives and the advice sector on arrangements, including new rules, which will mean that courts are better able to address the need for appropriate protection of all parties, including those shielding from coronavirus once the stay on possession proceedings ends in August. This is to ensure that judges have all the information necessary to make just decisions and that the most vulnerable tenants can get the help they need. We continue to engage landlord, letting agent and tenant representative organisations as part of our ongoing dialogue about renting and the COVID-19 outbreak.

The Government's financial support package and enhanced welfare payments aim to reduce the risk of rent arrears that could support a claim for possession. Our published guidance on COVID-19 and renting has always been clear on the need for landlords and tenants to work together at this time and to raise issues at the earliest opportunity to address any concerns. Where tenants do experience financial difficulties as a result of the pandemic, the government is clear that landlords and tenants should work together and exhaust all possible options – such as flexible payment plans which take into account a tenant's individual circumstances – to ensure cases only end up in court as an absolute last resort.

Abolishing section 21

Recommendation five: The Government must accelerate its plans to introduce the Renters' Reform Bill to Parliament and abolish 'no fault evictions' under section 21 of the Housing Act 1988 within the next 12 months. By amending the Act to allow judges to exercise discretion, the Government will have time to deliver a Bill which provides greater security for tenants.

Government response:

This Government has committed to introduce a package of reforms to deliver a better deal for renters and a fairer, more effective rental market. This includes the repeal of Section 21 of the Housing Act 1988 to abolish so-called 'no fault' evictions, in order to provide greater security for tenants in the private rented sector.

The Government remains committed to tenancy reform and we want to take forward these proposals in a considered manner at the appropriate time. However, our immediate efforts are focused on the response to COVID-19. The emergency measures we have put in place

are a proportionate response to the crisis and we will continue with our wider reform agenda in due course. We expect to respond fully to the consultation on tenancy reform and set out planned next steps once the urgent concerns of this emergency have passed.

Local Housing Allowance

Recommendation six

The Government must ensure that the Local Housing Allowance (LHA) rate is set at a level that reflects real market rents and ensures those in need are able to afford properties in their areas. We call on the Government to guarantee that the LHA rate will be maintained at the 30th percentile long-term. We also ask the Government to conduct work on what the impact on renters and the wider rental market would be of raising LHA rates further.

Government response:

We recognise that the steps taken to address the COVID-19 outbreak may impact the income of many households and their ability to meet living costs, including rental payments. As part of the over £6.5 billion investment in the welfare safety-net announced by the Chancellor of the Exchequer in March, the Government has increased the Local Housing Allowance by lifting rates to the 30th percentile of market rents in each area. This change, costing nearly £1 billion, will help alleviate affordability challenges facing benefit claimants in the private rented sector. We have also increased the national maximum caps, ensuring all those rates in central and inner London that are currently capped will receive an increase in housing support.

The increase in the Local Housing Allowance rate to the 30th percentile is not a temporary measure, it will remain in place for the duration of the year until March 2021. There are currently no plans to reverse the increase and decisions on Local Housing Allowance levels from April 2021 will be made through future fiscal events and DWP Rent Officers Orders in the normal way.

For those in receipt of Universal Credit or Housing Benefit who may require additional support in meeting rent payments, Discretionary Housing Payments are available. We have provided £180 million in Discretionary Housing Payment funding to Local Authorities to support vulnerable claimants with housing costs in the private and social rented sector in England and Wales for 2020/21. This includes an extra £40 million as announced last year at the spending round.

The Government will continue to consider the next steps on how best to support private renters through the recovery period following COVID-19.

Conclusion

The Government is grateful to the Housing, Communities and Local Government Select Committee for their inquiry into the Impact of COVID-19 and their subsequent report and recommendations.

From the start of this pandemic, we believed we had a special duty to protect the most vulnerable people in our society. And this was especially necessary for those people sleeping rough on our streets.

Working hand-in-hand with charities and local councils, we have offered accommodation to over 90% of rough sleepers known to us at the start in order to help them stay safe during the pandemic. We are grateful to everyone who has been involved in this huge national effort. Thousands of lives have been protected as a result of their work.

As we enter the next phase in our fight against COVID-19, it is right that we start to look ahead. Our goal has always been that as few people as possible return to the streets –the concerted efforts of the Taskforce and the unprecedented level of investment the Government has made in homelessness and rough sleeping services will help us to achieve this and begin to deliver against our ambition to end rough sleeping.

Our rapid and decisive action on evictions, the Coronavirus Job Retention Scheme and over £6.5 billion investment in the welfare safety net has helped to safeguard the most vulnerable, including the 8.6 million households across the social and private rented sector. With these emergency measures in force, no renter will be forced out of their home. We are carefully considering the next steps on how best to support both tenants and landlords.

We will continue to focus on delivering support to those who are most vulnerable as we move forwards into the next phase of our response.

CCS0620724508
ISBN 978-1-5286-1990-5