

# **HCLG Committee Inquiry: The Impact of Covid-19 (Coronavirus) on homelessness and the private rented sector**

**WRITTEN SUBMISSION BY UNISON  
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## **EXECUTIVE SUMMARY**

Thousands of people, including public service key workers who provide essential services to communities, have been economically impacted by the Covid-19 pandemic. Their financial security has been threatened, and in turn, so has the security of their housing. UNISON's response outlines the need for bolder policy measures to protect renters and vulnerable people from losing their home in the coming weeks and months. This should include reinstating the eviction ban and using the opportunity to meaningfully reform or end Section 21, welfare reforms and a financial package to help renters pay off rent arrears to sustain their home.

## **INTRODUCTION – ABOUT UNISON**

UNISON is the largest trade union in the UK, with 1.3 million members. They provide a range of essential public services working in local authorities, the NHS, colleges and schools, the police service, utilities, transport and the community and voluntary sector. They have worked hard to keep the nation going during the Covid-19 pandemic.

We welcome the opportunity to respond to the HCLG's relaunched inquiry into the impact of Covid-19 on renters, homelessness and the private rented sector. In [April](#) we responded to the first inquiry, in which we highlighted that the pandemic had exposed renters to financial hardship, with many accruing rent arrears and called for stronger measures to support renters and vulnerable people affected by the pandemic. Some of the recommendations made in that submission are included here for the Committee to consider as part of this inquiry.

Our members - and citizens generally - continue to be hard hit by the pandemic. Many of them are on modest incomes, reduced further during the pandemic by short-time working or being placed on furlough. They include those who are in private rented accommodation, where housing costs are high and are a substantial proportion of their household income. Sub-standard accommodation in the sector also leads to very high energy costs. The result is an affordability problem, with many of our members struggling to meet their rents and household bills, especially during this pandemic.

## **THE IMPACT OF THE PANDEMIC ON CITIZENS**

The Covid-19 pandemic has brought into sharp focus the consequences of chronic under-investment in housing, and the impact of austerity on the country's ability to meet housing need, build homes and house its citizens. Much of this has had a direct negative impact on thousands of citizens, including our members, who are struggling with high housing costs, the largest single demand on household incomes; poor quality housing with resulting high energy costs; overcrowding; and insecurity of jobs, income and tenancy.

The pandemic is having a huge economic impact on families, particularly those living in the Private Rented Sector (PRS). Millions have lost their jobs or have seen their incomes

reduced. Many have built up rent arrears or fallen behind mortgage payments; are more in debt and struggling to meet household bills and sustain a roof over their heads. According to Shelter, over 322,000 adult private renters have fallen into arrears since the start of the pandemic.

In September 2020 UNISON carried out a housing survey of our members to find out more about the housing issues they face. This has revealed that housing problems have worsened for our members during the pandemic with many unable to afford their rent and mortgage payments and facing uncertainty about their employment and housing situation in the coming months.

### **UNISON Survey key findings:**

#### **Housing costs and impact of Covid-19 on living standards**

- 27.8% said the cost of housing is making them look elsewhere to live and work – a figure that rises to 48.2% for health workers in the PRS
- 60.8% said they were really struggling to manage financially or are just about managing
- 34.9% had lost income or seen their income reduced due to the economic impact of Covid-19
- 10.4% have missed rent, deferred mortgage payments or have fallen into arrears
- 6.4% are struggling to pay their housing costs
- 9.9% are struggling to pay household bills
- 12.1% are getting into debt, and are worried about losing all or some of their income
- 3.2% have been threatened with – or faced - eviction and homelessness

The figures are set to rise with the current national restrictions and subsequent measures, and as more people start to lose their jobs or see their incomes reduced.

UNISON's [survey results](#) reflect the national picture on the housing problems faced by some renters during the pandemic.

### **SUPPORT FOR RENTERS AND VULNERABLE PEOPLE AFFECTED BY THE PANDEMIC**

The Government's response in mitigating the effects of the pandemic on renters and on vulnerable people has been welcome. Measures such as temporary bans on evictions during the first wave, housing rough sleepers, longer notice periods (of up to six months for some) and improved welfare support have provided some protections for renters and landlords alike. However, these are limited; only buy some time for renters financially impacted by the pandemic and fail to provide them with longer-term protections to sustain a roof over their heads.

Measures taken during the first lockdown to protect renters have not been extended in the PRS in the same way as for owner-occupiers, with Secretary of State Robert Jenrick extending mortgage payment holidays, but refusing to reinstate the evictions ban as a public health and economic protection. Additionally, for those who have been served notice in the intervening period, there is no guarantee that they will be helped to stay in their homes (e.g. via DWP or MHCLG financial assistance) when the current stay on evictions ends.

That is why UNISON continues to call for stronger protections for our members and citizens, to prevent them from facing eviction, homelessness and poverty in the coming weeks and months:

- **Extend stay on eviction proceedings for the duration of the pandemic**

The Government's current stay on eviction proceedings for the duration of the current national lockdown in England ends on 2 December. Yet, as [Shelter](#) has warned the eviction process has not stopped completely and people continue to be issued with eviction notices. When the ban eventually lifts once more, an increasing number of people will face homelessness due to the effects of the pandemic, at a time when lockdowns and restrictions have become a "new normal" and more of us are required to stay at home to stop the spread of Covid-19.

A [Guardian study](#) has revealed that at least 90,063 people in the UK have been threatened with homelessness since April and more than half of them have already lost their home, despite the ban on evictions. A majority of them are young people who have lost their jobs in the hospitality industry.

UNISON is calling for a reinstatement of the eviction ban for the duration of the pandemic, alongside stronger protections for tenants and landlords alike, and clear financial assistance for PRS tenants whose jobs and sector have been impacted by measures such as lockdown.

- **Improve support for vulnerable people**

The Government funded "Everyone In" Scheme introduced at the start of the pandemic was remarkable in helping to tackle rough sleeping and homelessness. It demonstrated that if the Government wants to resolve homelessness, they are able to do so. Our members working in homeless and outreach services carried out extraordinary work to ensure the majority of rough sleepers and homeless households were provided with emergency accommodation during the first wave of the pandemic.

The scheme was effective as it helped around 15,000 people into temporary accommodation including in hotel rooms; reduced Covid-19 infections; and saved hundreds of lives. However, funding for the "Everyone scheme" stopped at the end of May. Unsurprisingly the [numbers of rough sleeping](#) and homelessness are on the rise again, including people living rough for the first time.

UNISON supported [calls](#) by charities and housing campaigners asking the Government to take action to protect renters from eviction, especially during this winter, and ensure that no one loses their home or ends up on the streets; to avoid "a new generation lost to homelessness" and help people cope with Covid-19 and its aftermath.

UNISON notes that the Government has recently introduced a new "Protect Programme" - to run alongside the "Everyone In" Scheme. This requires councils to ensure rough sleepers are offered somewhere safe during the current period of national restrictions.

UNISON is concerned that the scheme will not be adequately funded and that local authorities will be forced to bear the brunt of the associated costs, at a time when temporary accommodation budgets are reaching breaking point. We are further concerned that conditions in (for example) hostels are not conducive to either social distancing for homeless residents and staff, potentially increasing infections among some of the most vulnerable in our society and those frontline workers who support them.

The Government needs to build on progress made during the initial lockdown, by providing more funding, improving support services, boosting the welfare safety net and ensuring everyone is in self-contained accommodation to help efforts in tackling rough sleeping and homelessness.

- **Abolish Section 21 no-fault evictions to protect renters**

UNISON has called for the scrapping of Section 21 no-fault eviction as the use of this “ground for possession” is the leading cause of homelessness in England. Currently, judges have limited discretion to take the circumstances of tenants who have been impacted by Covid-19 into account when landlords apply for a Section 21 or Section 8 case for more than eight weeks of rent arrears. With more people being economically impacted by the pandemic and falling into rent arrears, it is vital the Government passes emergency legislation to end Section 21 and empowers judges to take into account the circumstances of tenants in all possession proceedings, to prevent a rise in homelessness.

Some renters do not know their housing rights; when they receive a Section 21, they start to look for somewhere else to live rather than contest it. Many end up homeless or on the streets if they fail to find new accommodation, as the data shows. Furthermore, action by rogue landlords who have not abided by rules pertaining to evictions or the protections introduced during the pandemic has resulted in many households being subjected to illegal eviction notices or threatened with homelessness. Therefore, not only do we need an emergency enforceable legislation to end Section 21, but there also needs to be national awareness raising of housing rights and protections, so that tenants are aware of their rights, especially during the pandemic. Local authorities also need the powers and funding to deal effectively with poor landlord practice in their areas.

- **Improve housing benefit support to renters**

During the pandemic, demand for Universal Credit (UC) has been unprecedented. The Government raised UC payments for Local Housing Allowance - LHA (housing benefit) in the private rented sector to cover the cheapest 30% of rents for private rents in each local area. Before this rise, housing assistance did not even meet housing costs in the bottom 30% of market rents as a direct consequence of welfare restrictions. The current rise still does not reflect the high cost of private sector tenancies, or the link between benefit rates and local incomes.

The introduction of the lower Benefit Cap, which includes housing benefit, left many individuals and families working fewer than 16 hours a week with shortfalls between their UC payments and the rent due. With increasing numbers of people losing work and income and unable to find work during the pandemic, their financial situation is worsening.

Over half of all private renting families now [rely on benefit](#) to pay their rent. Many are finding that UC doesn't cover their rents because the benefit is inadequate. Currently LHA increases by CPI. Although a welcome development the Chartered Institute of Housing reports that with housing costs outstripping inflation, this change does not bring into scope a larger number of homes for PRS households in receipt of Housing Benefit. This is causing people to experience financial hardship, as families face real choices between paying for their food and energy costs and keep a roof over their head. While some are exempt from the Benefit Cap, many are not, making it difficult for councils to help people into suitable affordable accommodation or emergency accommodation. These problems are exacerbated by welfare restrictions such as the five-week wait and other delays in making initial UC payments, which a [TUC study](#) has concluded is unnecessary and

unacceptable, as it is pushing more people into poverty, relying on food banks or going without food or heating.

UNISON therefore supports calls to reform the benefit system to help more people meet housing costs, including measures to remove the Benefit Cap; raise the LHA to the average or median rent and end the five-week wait for UC payments.

- **Provide financial support to renters**

Whilst the current stay on evictions is welcome, when it is lifted there is likely to be a surge in homelessness. As the nation continues to be subjected to lockdowns and restrictions to halt the spread of Covid-19 and keep people safe, more people will continue to be furloughed, see their incomes reduced, lose their jobs and build up rent arrears.

UNISON's housing survey revealed that some of our members have seen their hours cut or not been furloughed due to precarious working contracts. Some have had to take out loans or live off credit cards to help cover bills and rent. They are more in debt and fear being evicted. Others hard hit by the pandemic say that this is affecting their living standards.

To ensure that people are adequately protected in their homes, UNISON is calling on the Government to provide renters with a financial package, alongside more robust measures, as outlined in this response, to help people pay off rent arrears and give clarity on protection from eviction and homelessness during and beyond the pandemic.

In Scotland an eviction ban remains in place until March 2021. The Scottish Government has created a [£10m hardship fund](#) to offer interest free loans for tenants struggling to pay their rents due to the pandemic. The Welsh Government has also launched the [Tenancy Saver loan](#) scheme to offer loans to private renters to help them pay off rent arrears as well as future months' rent due. English renters deserve similar protections if we are to prevent an avalanche of homelessness, which cannot be accommodated given the paucity of social rented stock.

- **Invest in new and existing social rented homes to tackle the housing crisis**

The Coronavirus pandemic has highlighted the need for long-term funding of low-cost social rent homes to meet the housing need of people, including low paid key workers, homeless families, older people and those stuck in unsuitable over-crowded accommodation. Social rented housing was already in high demand even before the pandemic. This demand is likely to grow as more people financially impacted by Covid-19 are priced out of the housing market and can no longer afford high private rentals in the PRS.

UNISON's [housing manifesto](#) sets out detailed measures to build up to 150,000 social rented and affordable homes per year, supported with public subsidy. UNISON believes that placing housing at the heart of plans for the social and economic recovery from Coronavirus, will help tackle the acute shortage of low cost social rented homes for the low paid and vulnerable, as well as help tackle the public housing emergency caused by the pandemic, which has led to a rise in homelessness and rough sleeping.

Investing in social and affordable homes has several economic benefits. It creates new homes, jobs and boosts the economy. For every pound spent on construction, the [economy benefits £2.84](#) and the Government benefits from higher levels of income tax.

UNISON would also like to see existing and new social homes prioritised for key workers, defined more broadly than at present to include, for example carers and hospital porters, who provide essential services we all depend on. In particular, we would like to see a re-prioritisation of the Affordable Housing Programme to ensure that adequate funds are set aside to deliver such homes and away from First Homes, which the NAO's own study of the abandoned Starter Homes programme shows will not benefit key workers. We also want to see existing intermediate homes - which are out of reach of the low-paid - converted to social rent rates, that is a third of household incomes, to make such homes genuinely affordable to key workers.

## **CONCLUSION**

The pandemic has exposed the inadequacies of the UK housing system and its varied housing markets to meet housing need. It has highlighted that the private rented sector is ill-equipped to deal with a public health housing emergency. The high cost of private rents has seen many people, including public service key workers, struggle to pay their rents and sustain their homes during the pandemic.

There is an urgent need for robust welfare and housing protections to ensure that people and their homes are protected, and to prevent them from losing their home in the coming months. UNISON is calling on the Government to:

- Suspend evictions during the pandemic, alongside support for renters/landlords
- Provide adequate funding to support and house vulnerable people to tackle homelessness
- Legislate to end Section 21 no-fault evictions by introducing permanent tenancies
- Reform the Benefit System to help more people meet housing costs, by raising local housing allowance (housing benefit) to the average rent; ending benefit caps; and ending the five-week wait in UC payments, replacing this with non-repayable grants
- Provide a financial package (grants/loans) for struggling renters to help them pay off rent arrears and allow them to stay in their homes
- Invest in new social and affordable homes which will boost economic recovery from Covid-19, create jobs and lower housing costs
- Prioritise existing and new homes that can be accessible and affordable to public service key workers

## **FURTHER INFORMATION:**

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