Ministry of Housing, Communities & Local Government

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17 March 2021

Clive Betts
Chair
Housing, Communities and Local Government Committee
House of Commons
London
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Dear Clive,

Thank you for your letter of 4 February regarding evidence submitted to the Committee on the impact of COVID-19 on homelessness and the private rented sector. This is an area about which I am passionate and it is a privilege to be responsible for such an important portfolio. I would like to take this opportunity to thank my predecessor, Kelly Tolhurst, for her excellent work over this very challenging period.

I committed in the hearing to follow up on a few points of detail. I apologise for the delay in replying but I wanted to also provide the Committee with the latest information on next steps in our ongoing work to protect renters, those at risk of homelessness and rough sleepers during the pandemic.

Funding streams to support those who are rough sleeping
Annex A sets out the funding streams that have been put in place by the Government to help rough sleepers in England since March 2020. This funding can be used to help anyone, including those with no recourse to public funds, as long as a local authority is acting within the law in so doing.

Local authorities 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. Our position on this has not changed. Local authorities already regularly make such judgements on accommodating individuals who might otherwise be ineligible, during extreme weather for example, where there is a risk to life or where there is public health risk as is the case with the COVID-19 pandemic.

Anyone that is assessed as needing support based on this assessment is covered by our funding, and this includes money for the Protect Programme. In total, we are spending over £700 million in 2020/21 to tackle homelessness and rough sleeping.

Data
In terms of your request for data that the Department has been collecting during the pandemic on rough sleepers and emergency accommodation, our focus at the moment is on the response to the pandemic and supporting councils to protect vulnerable people. Whilst of course we recognise the importance of transparency, the data source mentioned by the NAO in their report is very new and requires further work before it is ready for publication.

Below I provide details on your queries around specific data sets.

- *GP registration of rough sleepers*
  During the Select Committee, it was stated that around 80% of rough sleepers were registered with a GP. This relates to the initial findings from the Rough Sleeping Questionnaire collected throughout 2019 and early 2020 from people who sleep rough which was published by MHCLG in December 2020. The findings are based on interviews with over 500 respondents, all of whom had slept rough within the last year. It found, for example, that 85% were registered at a GP surgery.

  As you know, we have asked local authorities to redouble their efforts to help those currently sleeping rough to be accommodated. This includes seeking to ensure that everyone brought in, where they are not already, is registered with a GP and are factored into local area vaccination plans, in line with JCVI prioritisation for COVID vaccinations.

- *Those in emergency accommodation with 'no recourse to public funds' condition*
  No recourse to public funds (NRPF) is a very specific condition attached to an individual's immigration status. We do not currently collect data on the number of individuals with NRPF in emergency accommodation or in move on accommodation.

  However, as part of the data we collected as at the end of May 2020, of those in emergency accommodation (14,610), local authorities reported that approximately 2,500 were people who would not be eligible for statutory homelessness assistance but were assisted through other powers available to the local authority (e.g. the General Power of Competence introduced through Localism Act 2011). This figure includes those with the NRPF condition, but also includes those, for other reasons, that may not have been eligible for statutory support.

  Within our annual statistics, we do collect data on the nationality of those sleeping rough which is categorised into UK, EU (Non-UK) and Non-EU nationals.

- *Unemployed people who rent privately*
  With regards to what proportion of the estimated 1 million extra people projected to be unemployed by mid-2021 rent privately, I understand that this figure is referring to the OBR forecast delivered by the Chancellor at the Spending Review in November 2020. The OBR now expect the peak in unemployment to be 340,000 lower than that assumed in their November 2020 forecast. It is not possible to split the OBR's forecasts by housing tenure.

- *Estimates of households with rent arrears*
  In response to your request for more data on the number of households in rent arrears, the EHS Household Resilience Study has been a valuable source of information. The study found that in June to July 2020, the majority of private renters, 93%, were up to date with rent payments. The survey also found that 5% of private renters had spoken to their landlords and agreed a rent holiday and a further 6% had spoken to their landlords and agreed a rent reduction. Throughout the pandemic, we have encouraged landlords and tenants to work together to resolve any issues.

  The EHS resilience survey does not provide information on the quantum of rent arrears by value or how it equates to months of arrears. However, we also work with key stakeholders to discuss and understand their data collection and surveys. For example, we understand from the National Residential Landlords Association and the research they conducted with Dynata, that 88% tenants have paid their rent as usual throughout the pandemic, 3% of tenants have agreed a reduced rent or rent-free period with their landlord and the proportion of PRS households in some rent arrears has risen by 4 percentage points during the pandemic. As set out in more detail below, the Government has put in place an unprecedented amount of financial support to ensure tenants can continue to pay their rent. Notably, we have increased the local housing allowance rate (LHA) to the 30th percentile and for those who require additional support, Discretionary Housing Payments (DHP) are also available.

In December, the National Residential Landlord Association estimated that 83% of those tenants who were in rent arrears had arrears of £1,000 or less. Based on comparing this to average rents (about £870 per month across England according to the EHS), the estimate is that where renters are in arrears, the majority are likely to be 1-2 month(s) in arrears. The number of people falling into arrears has been kept low by the Government's generous welfare support and furlough scheme.

The Chancellor has also confirmed that a significant package of financial support will remain in place, continuing to support renters in paying their living costs. This will include the support for businesses to pay staff salaries through the Coronavirus Job Retention Scheme and the boost to Universal Credit, both of which have been extended until September 2021.

- *Information on the backlog of eviction cases*
  There is no obligation on a party to inform the court when a case has either settled or withdrawn and therefore we do not have figures to quantify the backlog of eviction cases. The volumes of incoming possession cases are monitored by HMCTS to ascertain future hearing demand. The Ministry of Justice published statistics on 11 February 2021 showing that between October and December 2020, applications to the courts for possession by private and social landlords were down 67%, and repossessions decreased by 93% compared to the same quarter in 2019. This is the most recent period for which published data is available and shows that our package of measures is working; tenants are being protected whilst landlords are able to repossess their properties in the most serious cases.

  Repossessions which took place in October to December are likely to relate to cases in which a Possession Order was granted prior to the stay on possession proceedings which began in March 2020. Since 5 November 2020, bailiffs have not been serving eviction notices or carrying out evictions anywhere in England except in the most serious circumstances including where tenants have demonstrated anti-social behaviour, perpetrated domestic abuse in a social tenancy or committed fraud.

  HMCTS are working to the 'Overall Arrangements' produced and published by the Master of the Rolls working group which includes a range of contingency measures such as additional judges that can be used if needed. These measures also include requiring landlords to set out information to the court on the impact the pandemic has had on their tenants, introducing a new review stage so that tenants can access legal advice, and requiring landlords to 'reactivate' any claims that were in the system before 3 August 2020. A new mediation pilot will also support landlords and renters who face court procedures and potential eviction to resolve issues without the need for a formal hearing. The mediation pilot will work within these court arrangements.

While the listing of cases is a matter for the independent judiciary, the courts will be prioritising the most serious cases, such as those involving anti-social behaviour and fraud. Nightingale courts are in use for a range of case types across HMCTS but have not been set up exclusively for possession hearings.

Private rented sector

In response to the Committee's concerns over the longer-term problems that the pandemic may cause in the private rented sector, MHCLG officials regularly discuss the impact of COVID-19 on the rental market with a range of industry stakeholders. Our stakeholders have not reported any significant concerns in relation to credit-ratings or referencing affecting the ability of tenants to secure new rental properties. We will continue to keep this under review.

As mentioned above, most tenants are continuing to pay their rent as normal. However, we recognise that a small proportion are experiencing trouble paying their rent. The Government has put in place a significant financial package to support them.

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. The Self-Employment Income Support Scheme will continue until September, with a fourth and fifth grant. Individuals will be able to qualify for the new grants based on their 2019-20 tax returns, which means that over 600,000 self-employed individuals may be newly eligible for the SEISS, including many new to self-employment in 2019-20.

In addition, the Government has put in place an unprecedented amount of financial support to ensure tenants can continue to pay their rent. Notably, we have increased the local housing allowance rate (LHA) to the 30th percentile. The increased LHA rates are expected to provide 1.5 million claimants with around £600 per year of housing support more than they would otherwise have received. This measure maintains that significant increase for all rates, by protecting the rates at the current levels in cash terms in 2021/22, even in areas where the 30th percentile of local rents has gone down. This continued investment in LHA will support claimants in the private rented sector to manage housing costs. We have also increased Universal Credit and Working Tax Credit by up to £1,040 for the year in 2020. We spend around £30 billion a year on housing benefits – and spend 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.

For those who require additional support, Discretionary Housing Payments (DHP) are available. For 2021/22, the Government will make available £140 million in DHP funding, which takes account of the increased LHA rates. In order to enable councils to continue supporting those least able to pay their council tax, including households financially hard-hit by the pandemic, there will be £670 million of new grant funding for local council tax support, on top of existing funding embedded into the Local Government Finance Settlement .

The Government continues to strongly encourage landlords and agents to look at all potential and existing tenants on an individual basis. Landlords and agents are free to carry out any referencing checks within the law as they deem appropriate before accepting a new tenant, however these must be without bias.

Next Steps on Protections for Renters

The Government is committed to ensuring that renters remain protected as we move towards the lifting of national restrictions. At present, there remains an ongoing risk of transmission, restrictions on household mixing and as well as pressure on essential public services. To respond to this, the Government announced on 10 March that we will extend the ban on bailiff enforcement of evictions and the requirement for landlords to provide six months' notice when seeking possession of residential property until the end of May.

Restrictions on Bailiff Enforcement

As you are aware, since November, regulations have been in place to prevent bailiffs from serving eviction notices or carrying out evictions anywhere in England, except in the most serious circumstances. Legislation will be brought forward shortly to further extend the restrictions on bailiff enforcement until the end of May.

The Government is grateful to landlords for their continued forbearance during this unprecedented time. It is important for landlords to be able to progress cases in the most serious circumstances, and therefore exemptions will remain in place for the most serious circumstances that present the most strain on landlords and communities such as illegal occupation, anti-social behaviour and arrears of at least 6 months' rent.

Longer notice periods

A landlord seeking to recover possession of residential property must give notice to the tenant before they start court proceedings. We know that many tenants will leave accommodation at the end of their notice period, before the case reaches court. The Government has laid a Statutory Instrument to extend measures the Coronavirus Act 2020 that require landlords to provide tenants with six months' notice, except in the most serious circumstances, until 31 May 2021. The Statutory Instrument applies to England only. This means that most renters served notice during April and May will be able to stay in their homes until October and November, giving them time to find support or alternative accommodation.

Shorter notice periods will continue to apply for egregious cases, recognising the continuing impact these circumstances have on landlords and the broader community. These cases include anti-social behaviour (including rioting), false statement, in certain cases of domestic abuse in the social sector, rent arrears over six months, where the tenant has passed away or where the tenant does not have the right to rent under immigration law. This approach provides balance for both landlords and tenants during the ongoing risk of COVID-19, by continuing to provide tenants with enhanced protections whilst allowing landlords to access justice quicker where proportionate.

The Government will consider the best approach to tapering down notice periods from 1 June, taking into account public health requirements, progress with the roadmap and the longer-term transition into our broader programme of reform.

Our funding and support for individuals experiencing homelessness and those within the private rented sector is extensive and I believe that the above outlines our continued commitment to address these issues during the pandemic and beyond.

Yours ever,

EDDIE HUGHES MP

Annex A

A table listing the funding streams that have been put in place by the Government to help rough sleepers in England since March 2020. This does not include funding that began before this date.		
Funding Stream	**Total budget at launch**	**About**
MHCLG Funding		
Emergency covid-19 fund	£3,200,000	Emergency funding to help local authorities and frontline services put emergency measures in place at the start of the pandemic.
Cold Weather Fund	£10,000,000	Funding available to all local authorities to bring forward COVID-secure accommodation this winter and to keep vulnerable people safe from the cold
Transformation Fund	£2,400,000	For the faith, communities and voluntary sector to transform their traditional rough sleeping services into self-contained and COVID secure accommodation
Protect Programme	£15,000,000	A funding initiative for local authorities with higher numbers of rough sleepers to meet the specific challenges they faced with the introduction of new national restrictions in November.
Protect Plus Programme	£10,000,000	A funding initiative approved in response to the rising infections due to the new COVID-19 variant and the Government's announcement of the national lockdown. Available for local areas to bring forward additional support up to the end of March.
RSAP	£161,000,000	Rough Sleeping Accommodation Project (RSAP), which seeks to provide thousands of long-term, safe homes for vulnerable rough sleepers taken off the streets during the Covid-19 pandemic
NSAP	£105,000,000	Next Steps Accommodation Project (NSAP), seeks to provide interim accommodation and support for 15,000 rough sleepers and vulnerable people at risk of becoming homeless currently in emergency accommodation. 274 councils received funding to provide immediate accommodation and support to vulnerable people.
Rough Sleeping Initiative 21/22	£200,000,000	Fourth year of funding supporting the establishment or enhancement of coordinated local services for rough sleepers or those at risk of sleeping rough in 21/22. An increase of £88,000,000 funding from 2020/2021
TOTAL	£529,577,000	

MHCLG Funding - Local Government Funding		
Un-ringfenced COVID-19 emergency grant funding	£4,607,000,000	We have provided over £4.6 billion in un-ringfenced funding to councils across four tranches throughout the financial year. This unprecedented level of un-ringfenced funding is in recognition that local authorities are best placed to decide how to meet the major COVID-19 service pressures in their local area. Each funding allocation has been informed by the latest assessment of pressures reported by councils and submitted to government and could be used to help support individuals experiencing rough sleeping (latest data suggests that 2.9% of this figure has been allocated towards rough sleeping at a national level).

OGD Funding		
Substance Misuse Fund	£23,000,000	Funding to provide substance misuse services to vulnerable individuals experiencing rough sleeping, including those currently in emergency accommodation as a response to COVID-19. This will enable these individuals to access the specialist help they need to rebuild their lives off the streets and into sustained accommodation. MHCLG and DHSC joint bid for the funding, PHE are the delivery partners.
Voluntary, community and social enterprise (VCSE) funding	£6,000,000	Emergency funding to provide relief for frontline homelessness charitable organisations who are directly affected by the COVID-19 outbreak. Funding by DCMS.