



Ministry of Housing,
Communities &
Local Government

Clive Betts MP and Stephen Timms MP
House of Commons
London
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Eddie Hughes MP

Minister for Rough Sleeping and Housing

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21 June 2021

Dear Clive and Stephen,

Thank you for your letter of 1 June 2021 regarding the lifting of restrictions on evictions in England and Covid-19 related rent arrears. I would like to thank you for raising these important issues and for the work of both the Work and Pensions Committee and the Housing, Communities and Local Government Committee.

The Government's rationale for lifting the evictions ban from the particular date of 1 June

The Government has put in place significant and unprecedented measures to protect and support renters throughout the pandemic. However, thanks to the success of the vaccine programme and the public efforts to suppress the virus, we are now in a better position than at the height of the pandemic, and emergency measures for renters introduced during the pandemic are being brought in line with this.

The bailiff measures were appropriate at the height of the pandemic to help control the spread of infection, prevent any additional burden falling on the NHS and avoid overburdening local authorities in their work providing housing support and protecting public health. However, these restrictions could only ever be temporary. They prevent landlords from repossessing properties when they have valid grounds to proceed. It is important for private landlords to be able to access justice where egregious levels of arrears have accrued. 45% of private landlords own just one property and are therefore highly vulnerable to any reduction in rental income.

The latest statistics for the first quarter of 2021 show that the volume of possession claims by landlords is down by 74% compared to the same quarter in 2020¹. This suggests that landlords are bringing significantly fewer claims for possession than before the pandemic.

Where a case reaches court, temporary rules have been put in place during the pandemic which require landlords to consider how their tenant, or any of their

¹ <https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-january-to-march-2021/mortgage-and-landlord-possession-statistics-january-to-march-2021>

dependants, has been affected by the pandemic. Judges can adjourn proceedings until this information is provided.

Where an eviction is scheduled, this will not be carried out by bailiffs if they are made aware that the tenant or anyone they live with has coronavirus symptoms, has tested positive for Covid-19, are waiting for a test result, or has been instructed by the NHS to self-isolate.

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 have gradually started to reduce notice periods from 1 June 2021 so that protections for renters do not fall away suddenly.

Our intention is that notice periods will return to their pre-COVID lengths from 1 October 2021 but we will keep this under review.

As is currently the case, landlords will still be able to gain access to justice more quickly for egregious cases, recognising the continuing impact these circumstances have on tenants, landlords and the broader community.

Tenants will also continue to be supported with living costs, including rent, through the unprecedented package of financial support put in place by the Government. We've taken action to prevent people getting into financial hardship by helping businesses to pay salaries, with the Coronavirus Job Retention Scheme extended to September, and boosting the welfare safety net by billions of pounds.

The Government's assessment of the impact of the ending of the evictions ban on levels of homelessness and what additional assistance will be offered to local authorities to deal with this

The statistics show that our package of measures has been preventing evictions. 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.

To support those who do become homeless or find themselves at risk of homelessness we are providing local authorities with £310 million through the Homelessness Prevention Grant. This funding represents a £47 million increase on the previous year's funding 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 to ensure families have a roof over their head.

In addition to this, resources made available through the Spending Review and annual Settlement allowed councils in England access to an overall increase in Core Spending Power from £49 billion in 2020-21 to up to £51.3 billion in 2021-22, a 4.6% increase in cash terms. This is in line with last year's available increase. This recognises the resources councils need to meet their pressures and maintain current service levels.

Local authorities will also receive over £3 billion of additional support for Covid-19 in 2021-22, responding both to additional expenditure pressure and to loss of income. This includes an additional £1.55 billion of grant funding to meet additional service pressures. This is unringfenced to ensure local areas can prioritise based on their own understanding of local pressures, however, the Ministry of Housing, Communities and Local Government has set out a list of priority pressures for this funding including homelessness. This takes the total support committed to councils in England to tackle the impacts of Covid-19 to over £12 billion.

Summary of the guidance and support that will be provided for private renters and landlords following the ending of the ban on evictions, and the ways in which the Government is planning to ensure it reaches tenants and landlords

The Government will continue to offer a comprehensive range of support including requiring landlords to give longer notice periods and an extensive package of financial assistance. Bailiffs have also been asked not to carry out an eviction if anyone living in the property has COVID-19 symptoms or is self-isolating and, in most cases, must give 14 days' notice of an eviction.

To keep landlords and tenants informed of measures implemented throughout the Covid-19 pandemic the Government has regularly updated its guidance documents found on GOV.UK. Covid-19 renting guidance for landlords, tenants and local authorities can be found at: <https://www.gov.uk/government/publications/covid-19-and-renting-guidance-for-landlords-tenants-and-local-authorities> and guidance for landlords and tenants to understand the possession action process can be found at: <https://www.gov.uk/government/publications/understanding-the-possession-action-process-guidance-for-landlords-and-tenants>.

Both documents were last updated at the end of May prior to changes to notice period lengths and bailiff enforcement rules. While this provides general guidance, we continue to encourage people to seek independent advice on the specific circumstances of their individual case.

Additionally, the department published a press notice on 12 May detailing changes to notice period lengths which can be found at: <https://www.gov.uk/government/news/support-for-renters-continues-with-longer-notice-periods>.

We regularly meet with key stakeholders across the sector on a regular basis to ensure they are informed of the latest information to share with their audiences. The Department for Work and Pensions will also be working with the Money and Pensions Service to increase awareness of their financial and housing guidance, such as the Money Navigator Tool.

The Government's assessment of the impact of lifting the ban on evictions on benefits take-up and on other public expenditure

Following the lifting of restrictions on evictions, the Ministry of Justice expects a rise in legal aid expenditure as more people access the housing possession court duty scheme for representation at court. While no assessment has been made of the impact of lifting the ban on evictions on benefit take-up, the Department for Work and Pensions has, to date, provided a crucial safety net to record levels of claimants, including processing nearly 5.6 million new claims to Universal Credit between March 2020 and January 2021.

Steps the Government plans to take to provide transitional financial support for the those impacted by the ending of the ban, for example through Discretionary Housing Payments, and how the sufficiency of the sums available will be monitored; in addition what if any lessons can be learnt from the schemes in Wales and Scotland

The UK Government has provided an unprecedented package of financial support which is available to tenants, and the vast majority (91%) of private renters are up to date with their rent. Of those in arrears, 2/3 are in arrears of less than 2 months, As reported in the English Housing Survey Household Resilience Study wave 2 (November-December 2020).

For 2020/21 the Government are projected to spend almost £30 billion to support renters with their housing costs; this includes a boost of almost £1 billion to the Local Housing Allowance in response to the Covid-19 pandemic. This means 1.5 million claimants in the private rented sector, who receive either the housing element of Universal Credit or Housing Benefit, will receive around £600 more in Housing Support than they would otherwise have received over the year. As we transition out of emergency measures, claimants will continue to benefit from this significant increase in rates.

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. In the 3 March Budget the Chancellor of the Exchequer announced a 6 month extension of the £20 per week uplift to Universal Credit to the end of September, alongside a one-off £500 payment to Working Tax Credit claimants.

We have also provided ongoing support for businesses to pay staff salaries through the Coronavirus Job Retention Scheme, which has been extended until the end of September 2021, as well as providing support to the self-employed through the Self-Employment Income Support Scheme, extended until September with a fourth and fifth grant.

For 2021/22 we have made available £140 million in Discretionary Housing Payments (DHP) funding for local authorities in England and Wales to distribute to help support vulnerable people with housing costs. These payments are very flexible and may be awarded for a short period to give a claimant time to deal with their immediate financial difficulties or for an indefinite period until their circumstances change. Since the start of the pandemic, we have been monitoring the DHP spend

more closely than in previous years and we will continue to monitor spend throughout 2021/22.

We have been monitoring the take up of the loan schemes in Wales and Scotland to learn from these, and note the limited number of loans awarded. Any loan scheme would have affordability criteria, which may make it tricky to access for those most in need. We have targeted our interventions as non-repayable forms of support, which offer a sustainable form of support for vulnerable renters. We do not wish to encourage more debt. We believe the best way to support people in need is through the existing welfare system that provides ongoing support, and this is what our extensive pack of economic support is doing.

Thank you once again for writing on this important issue.

Yours ever,



EDDIE HUGHES MP



Work and Pensions Committee Housing, Communities and Local Government Committee

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From the Chairs

Rt Hon Robert Jenrick MP
Secretary of State
Ministry of Housing, Communities and Local Government
4th Floor, Fry Building
2 Marsham Street
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SW1P 4DF

1 June 2021

Dear Robert,

Covid-19 related rent arrears

Evictions from privately rented accommodation have been paused in the majority of cases across the UK during the Covid-19 pandemic. In England this is set to end from today, 1 June. Research shows that 9% of private renters in England have built up rent arrears since lockdown measures started in March 2020. This will also have had a consequential impact on the income of private landlords. The issue of Covid-19 related rent arrears has been raised in evidence to both of our Committees, and was addressed in the recent report of the Housing, Communities and Local Government Committee on *Protecting the homeless and the private rented sector: MHCLG's response to Covid-19*.

We would be grateful if you could set out in response to this letter:

- the Government's rationale for lifting the evictions ban from the particular date of 1 June;
- the Government's assessment of the impact of the ending of the evictions ban on levels of homelessness and what additional assistance will be offered to local authorities to deal with this;
- a summary of the guidance and support that will be provided for private renters and landlords following the ending of the ban on evictions, and the ways in which the Government is planning to ensure it reaches tenants and landlords;
- the Government's assessment of the impact of lifting the ban on evictions on benefits take-up and on other public expenditure; and
- any steps the Government plans to take to provide transitional financial support for the those impacted by the ending of the ban, for example through Discretionary Housing Payments, and how the sufficiency of the sums available will be monitored; in addition what if any lessons can be learnt from the schemes in Wales and Scotland.

We would be grateful for a response by 15 June.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Timms'.

Rt Hon Stephen Timms MP

Chair, Work and Pensions Committee

A handwritten signature in black ink, appearing to read 'Clive Betts'.

Clive Betts MP

Chair, Housing, Communities and Local Government Committee